



NOTICE OF MEETING

Dear Elected Member

The next Audit Committee Meeting of the Shire of Perenjori will be held on Thursday 20th February 2014 in the Council Chambers, Fowler Street, Perenjori commencing at 9.30am.

Ali Mills
Chief Executive Officer
13 February 2014

Shire of Perenjori Audit Committee Meeting 20 February 2014

Agenda

13 February 2014
Copies forward to:

All Councilors

Cr J Cunningham
Cr LC Butler
Cr RP Desmond
Cr JH Hirsch
Cr HC Wass
Cr LJ Smith

Shire of Perenjori

AGENDA

Audit Committee Meeting

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To be held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on **20th February 2014, to commence at 9.30am**

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14021 PRELIMINARIES**14021.1 RECORD OF ATTENDANCE AND APOLOGIES****14021.2 CONFIRMATION OF MINUTES**

Minutes for the last Audit meeting on the 20th June 2013 are attached.

14021.3 AUDIT REPORT

APPLICANT:	SHIRE OF PERENJORI
FILE:	ADM0081
DISCLOSURE OF INTEREST:	NIL
AUTHOR:	PETER MONEY - MCDS
RESPONSIBLE OFFICER	PETER MONEY - MCDS
REPORT DATE:	20 FEBRUARY 2014
ATTACHMENTS	AUDIT REPORT AND MANAGEMENT LETTER

Executive Summary

The 2012/2013 Audit Report and Management Letter from UHY Haines Norton are presented for the Audit Committee's endorsement and/or amendment.

Background

The Shire is required to prepare annual financial statements by 30th September and the auditor is to prepare a report in respect of the Financial Statements by 31st December each year. The required details and information was provided to the auditors during September and October 2013 but there were a number of queries on some minor matters particularly relating to the calculation of fair value.

There were no significant issues identified in the financial or audit reports.

Statutory Environment

Local Government Act 1995 s6.4 Financial Report

Local Government Financial Management Regulations 1996

Local Government Audit Regulations 1996

Australian Accounting Standards

Policy Implications

Nil

Financial Implications

The cost of this report is more than budgeted due to the need to involve Accountant Megan Shirt to answer numerous minor questions on the fair value calculations.

Strategic Implications

Area 5: Investing in Councils Capacity – Our Leadership

Goal: Strengthen the shires position as an innovative, independent local government providing excellence in all areas of governance, management and leadership

Consultation

Megan Shirt – Accountant

UHY Haines Norton

Comment

Nil

Voting Requirements – Simple Majority

Officers Recommendation – Item 14021.3

That the Audit Committee accepts the Audit Report and Management Letter and recommends the Report and Management Letter for Council endorsement.

14021.4 ADOPTION OF COMPLIANCE AUDIT RETURN
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APPLICANT:	SHIRE OF PERENJORI
FILE:	ADM0081
DISCLOSURE OF INTEREST:	NIL
AUTHOR:	PETER MONEY - MCDS
RESPONSIBLE OFFICER	ALI MILLS - CEO
REPORT DATE:	20 FEBRUARY 2014
ATTACHMENTS	COMPLIANCE AUDIT RETURN 2013

Executive Summary

This Item recommends that the Audit Committee accepts the attached Compliance Audit Return and recommends the Council adopts the Return without amendment.

Background

Local Governments are required to carry out a compliance audit in relation to the period 1 January to 31 December each year relative to the requirements set out in the attached document.

The Return is completed online via the Department of Local Government (DLG) website, provided to the Audit Committee prior to being referred to the Council for adoption.

The Return addresses various compliance matters with which local government CEO'S must advise the Department they have complied or explain why the compliance was not met.

The Return must be provided to the Department by 31st March each year after it has been adopted by the Council and signed by the President and CEO.

Compliance issues have been met except with the provision of the Audit Report which was not received prior to 31st December. However UHY Haines Norton formally applied for an extension to this date and this is recorded in the Return.

Statutory Environment

Local Government (Audit) Regulations 1996 clause 14 requires adoption of the Return prior to providing it to the Department of Local Government.

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Area 5: Investing in Councils Capacity – Our Leadership

Goal: Strengthen the shires position as an innovative, independent local government providing excellence in all areas of governance, management and leadership.

Consultation

Nil

Comment

The Return demonstrates the Shire complied with all compliance matters.

Voting Requirements – Simple Majority

Officers Recommendation – Item 14021.4
That the Audit Committee accepts the Compliance Audit Return 2013 without amendment and recommends it for adoption by the Council.

14022 OTHER BUSINESS

14022.1 DATE OF NEXT MEETING / MEETINGS

14022.2 CLOSURE



Perenjori
Embrace Opportunity

Attachments

*Audit Committee Meeting
20th February 2014*



Perenjori
Embrace Opportunity

Attachment
14021.3

Audit

*1. Audit Report and Management
Letter*

*Audit Committee Meeting
20th February 2014*

10 February 2014

Ms Ali Mills
Chief Executive Officer
Shire of Perenjori
44 Fowler Street
PERENJORI WA 6620



Dear Ali

**AUDIT OF SHIRE OF PERENJORI
FOR THE YEAR ENDED 30TH JUNE 2013**

We advise that we have completed the audit of your Shire for the year ended 30th June 2013 and enclose our Audit Report and a copy of the Management Report.

A copy of the Audit Report and Management Report has also been sent directly to the President as is required by the Act.

We would like to take this opportunity to thank you and your staff for the assistance provided during the audit.

Please contact us if you have any queries.

Yours sincerely


GREG GODWIN
PARTNER

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF PERENJORI**

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Perenjori, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITOR'S OPINION

In our opinion, the financial report of the Shire of Perenjori is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF PERENJORI (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

During the course of our audit we became aware of the following instances where the Council did not comply with Local Government (Financial Management) Regulations 1996 (as amended).

Review of Annual Budget

The budget review carried out between 1 January and 31 March 2013 was not submitted to the Department within 30 days of Council making a determination in relation thereto as required by Financial Management Regulation 33A(4).

Monthly Financial Activity Statements

Monthly Financial Activity Statements from July 2012 to January 2013 did not include the Material variances between actual and budget as required by Financial Management Regulation 34(1)(d).

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no other matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as noted above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 61 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS


GREG GODWIN
PARTNER

Date: 10 February 2014
Perth, WA

10 February 2014

The Shire President
Shire of Perenjori
44 Fowler Street
PERENJORI WA 6620

Dear Cr King

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2013

We advise that we have completed our audit procedures for the year ended 30 June 2013 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

YEAR END AUDIT READINESS AND EFFICIENCY

In last year's audit and management reports we noted the audit was considerably delayed and was far from efficient as a result of staff experiencing difficulties in reconciling and finalising balances for financial reporting purposes.

Subsequently, management implemented certain changes and engaged the services of an external consultant to assist in delivery of accurate and timely management information.

We note the audit in respect of the year ended 30 June 2013 was more efficient and, whilst finalisation of the audit has been delayed, the reasons for the delay relate predominantly to the new reporting requirements in respect of fair value, recognition of Crown Land and the new ratios.

COMMENT OF RATIOS

Due to legislative changes, this year saw the introduction of six new ratios in the financial report. Seven of the eight reported in previous years were removed with only the Current Ratio remaining.

Whilst we accept it may take some time for the implication of these newer ratios to be fully understood, we thought we would take this opportunity to make some comments in relation to them.

Current Ratio

Asset Sustainability Ratio

Debt Service Ratio

Own Source Revenue Coverage Ratio

Asset Consumption Ratio

Asset Renewal Funding Ratio

All of these ratios appear to be above industry benchmark levels or operating within acceptable limits.



COMMENT OF RATIOS (CONTINUED)

One of the ratios is currently outside industry benchmark levels and we comment on it as follows:

Operating Surplus Ratio

The Operating Surplus Ratio measures Council's financial sustainability having regard to asset management and the community's service level needs.

A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council's ability to maintain both its operational service level and asset base over the longer term whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.

The operating surplus ratio for the year ended 30 June 2013 is (0.08). This includes the one off and non cash impact of significant revenue items relating to the initial recognition of Land under the Shire's control as required by the Local Government (Financial Management) Regulations 1996 totalling \$424,500. If Council's operating result did not include the initial recognition of land mentioned above, the operating surplus ratio for the 2013 financial year would be (0.17) (2012: (0.11), 2011: (0.22)).

In raising this point, we acknowledge this is a new ratio this year and we accept it may take some time for its implication to be fully understood.

We suggest it prudent for Council and management to monitor all ratios in future financial years as they strive to manage the scarce resources of the Shire.

BANK RECONCILIATIONS

We noted bank reconciliations were not updated on a regular basis and the bank reconciliations for June 2013 were only prepared just before our year end audit visit in November 2013.

Bank reconciliations are of primary control importance and are the catalyst for many transactions in other ledger accounts. They should be prepared regularly and promptly after the end of each month

To help ensure the bank reconciliations are correct, as well as prepared regularly and promptly, they should be reviewed by a senior staff member. This review should seek to confirm the accuracy of the reconciliations and should be evidenced accordingly.

PURCHASING PROCEDURES

Our review of payments made during the period under review revealed seven (7) instances (out of a sample of 28), where purchase orders were not attached to tax invoices.

To help ensure:

- proper budgetary controls;
- compliance with the Shire's purchasing policy;
- goods invoiced are ordered; and
- prices invoiced were quoted,

purchase orders should be issued prior to goods/services being sourced and should contain all of the necessary details in relation to them (including quantity and price).

In addition, prior to payment authorisation, invoiced amounts should be verified with prices quoted in the purchase orders.

FIXED ASSET RECONCILIATIONS

Our review of the monthly procedures related to fixed assets noted no monthly reconciliation of the fixed assets register to the general ledger is being performed.

To help ensure fixed assets are completely and correctly posted to the general ledger, the General Ledger should be reconciled more regularly to the fixed assets register and be reviewed by a senior staff member independent of preparation. The independent review should seek to confirm the accuracy of the reconciliation and should be evidenced accordingly.

Whilst we acknowledge controls exist at year end, we recommend a more regular process. At the very least, this reconciliation should occur on a quarterly basis.

COMPLIANCE AUDIT RETURN

We note the Compliance Audit Return for 2012 was not completed by 31 March 2013.

To help ensure compliance with Local Government Audit Regulations 14 & 15, the Compliance Audit Return should be completed, adopted by Council and submitted to the Department of Local Government by 31 March each year.

UNALLOCATED OVERHEADS

A total of \$102,140 of Plant Operating Costs had not been allocated to works and services accounts at year end.

To help ensure Council reflects accurate works and service costs, the allocation rates and methodology should be reviewed. Where necessary, they should be updated and monitored as part of month end procedures.

UNCORRECTED MISSTATEMENTS

We advise there were no uncorrected misstatement noted by us during the course of our audit.

We take this opportunity to thank the Chief Executive Officer and all staff for the assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully


GREG GODWIN
PARTNER



Perenjori
Embrace Opportunity

Attachment
14021.4

Adoption of Compliance Audit Return
1. Compliance Audit Return 2013

Audit Committee Meeting
20th February 2014



Perenjori - Compliance Audit Return 2013

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2013.	Yes		Peter Money
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2013.	N/A		Peter Money
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2013.	N/A		Peter Money
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2013.	N/A		Peter Money
5	s3.59(5)	Did the Council, during 2013, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Peter Money



Delegation of Power / Duty						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Peter Money	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Peter Money	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Peter Money	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Peter Money	
5	s5.18	Has Council reviewed delegations to its committees in the 2012/2013 financial year.	Yes		Peter Money	
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Peter Money	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Peter Money	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Peter Money	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Peter Money	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Peter Money	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Peter Money	
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2012/2013 financial year.	Yes		Peter Money	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Peter Money	

Disclosure of Interest						
No	Reference	Question	Response	Comments	Respondent	
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Peter Money	
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Peter Money	



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Peter Money
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Peter Money
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Peter Money
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2013.	Yes		Peter Money
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2013.	Yes		Peter Money
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Peter Money
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Peter Money
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Peter Money
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Peter Money
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Peter Money
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Peter Money
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Peter Money



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Peter Money
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Peter Money

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	Yes		Peter Money
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	Yes		Peter Money

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Peter Money

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Peter Money
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A	No powers were delegated.	Peter Money
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Peter Money
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Peter Money
5	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Peter Money



No	Reference	Question	Response	Comments	Respondent
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2013 received by the local government within 30 days of completion of the audit.	Yes	UHY Haines Norton formally applied for an extension of this period to 31st March 2014.	Peter Money
7	s7.9(1)	Was the Auditor's report for 2012/2013 received by the local government by 31 December 2013.	No	No. See above.	Peter Money
8	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A	No actions were necessary	Peter Money
9	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Peter Money
10	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Peter Money
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Peter Money
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Peter Money
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Peter Money
14	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Peter Money
15	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Peter Money



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Peter Money
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	Yes		Peter Money
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Peter Money
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Peter Money
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Peter Money

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Peter Money
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Peter Money
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Peter Money
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Peter Money
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Peter Money
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Peter Money



Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Peter Money
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Peter Money
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Peter Money
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Peter Money
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Peter Money
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Peter Money
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Peter Money
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Peter Money
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Peter Money
10	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes		Peter Money
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Peter Money



No	Reference	Question	Response	Comments	Respondent
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	Yes		Peter Money
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	Yes		Peter Money
14	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	Yes		Peter Money
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Peter Money

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

 Signed Mayor / President, Perenjori

 Signed CEO, Perenjori



Perenjori
Embrace Opportunity

Draft Minutes

Audit Committee Meeting
20th June 2013

Shire of Perenjori

MINUTES

Audit Committee Meeting

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Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on **20th June 2013,**
to commenced at 10.20am

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13061 PRELIMINARIES

Cr L Butler officially opened the meeting at 10.23 am.

13061.1 RECORD OF ATTENDANCE AND APOLOGIES

Cr LC Butler
Cr CR King – Observer
Cr JH Hirsch
CR J Cunningham
Cr RP Desmond
Ali Mills –CEO
Carla Sanderson – Executive Assistant

Apologies

Cr LJ Smith
Cr HC Wass

13061.2 CONFIRMATION OF MINUTES

Minutes of the Audit Committee meeting held 16th May 2013 are attached.

Moved: Cr R Desmond

Seconded: Cr J Hirsch

That the minutes of Audit Committee Meeting held Friday 16th May 2013 be seen as a true and accurate record.

Carried: 6/0

13062 APPOINTMENT OF AUDITOR

APPLICANT:	SHIRE OF PERENJORI
FILE:	0
DISCLOSURE OF INTEREST:	0
AUTHOR:	ALI MILLS - CEO
RESPONSIBLE OFFICER	ALI MILLS - CEO
REPORT DATE:	20th June 2013
ATTACHMENTS	Quotation's for the Provision of Audit Services

Executive Summary

The contract with the Shire's Auditors will expire this financial year, and the Audit Committee is required to make a recommendation to Council on the appointment of an Auditor.

Background

The appointment of the auditor is a matter for the Audit Committee. The Act does not allow the CEO or any other staff member to be appointed to the Audit committee.

UHY Haines Norton has been supplying audit services to the Shire of Perenjori since 1999.

Quotes have been sought with two companies providing written quotes, being UHY Haines Norton and RSM Bird Cameron. Both Companies are experienced and competent in providing such services for Local Government, meeting the requirements of the Local Government Act, and Financial Regulations. The following presents details of their quotes:

COMPANY	YEAR	FEE	GST	TOTAL (GST INC)
		\$	\$	\$
UHY HAINES NORTON	2014	17,500	1,875	19,375
RSM BIRD CAMERON	2014	17,971	1,797	19,768
UHY HAINES NORTON	2015	18,500	1,980	21,780
RSM BIRD CAMERON	2015	18,880	1,888	20,768
UHY HAINES NORTON	2016	19,500	2,085	22,935
RSM BIRD CAMERON	2016	19,835	1,984	21,819

Both companies will provide the same service and have similar rates in relation to any additional or extra assistance required.

Statutory Environment

Local Government Act 1995 S7.3 states as follows:

7.3. Appointment of auditors

- (1) *A local government is to, from time to time whenever such an appointment is necessary or expedient, appoint* a person, on the recommendation of the audit committee, to be its auditor.*

** Absolute majority required.*

- (2) *The local government may appoint one or more persons as its auditor.*

- (3) *The local government's auditor is to be a person who is —*

- (a) *a registered company auditor; or*
(b) *an approved auditor.*

Policy Implications

Nil

Financial Implications

The fees will need to be included in Council's annual budgeting processes.

Strategic Implications

Area 5: Investing in Councils Capacity – Our Leadership

Goal: Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.

Consultation

RSM Bird Cameron

UHY Haines Norton

Shire of Mingenew

Shire of Yalgoo

Comment

Both companies have very good reputations amongst local Government authorities and thus would be considered very competent and capable of meeting our needs and the compliance requirements set out by the Department. The options available to the audit committee are:

To appoint either Company for three years

Appoint either Company for one year and review the following year.

Voting Requirements - Absolute Majority

Officers Recommendation – Item 13061.3

Option 1:

That Council appoint UHY Haines Norton as the Auditor for the Shire of Perenjori for an additional three year period, from 2014 to 2016 inclusive.

Option 2:

That Council appoint RSM Bird Cameron as the Auditor for the Shire of Perenjori for a three year period, from 2014 to 2016 inclusive.

COMMITTEE RECOMMENDATION – ITEM 13061.3

Moved: Cr R Desmond

Seconded: Cr J Cunningham

Option 2:

That Council appoint RSM Bird Cameron as the Auditor for the Shire of Perenjori for a three year period, from 2014 to 2016 inclusive.

Carried: 4/0

13063 OTHER BUSINESS

None

13063.1 DATE OF NEXT MEETING / MEETINGS**13063.2 CLOSURE**

Cr L Butler officially closed the meeting at 10.32 pm.

I certify that this copy of the Minutes is a true and correct record of the meeting held on 20th June 2013.

Signed: _____

Presiding Elected Member

Date: _____