

SHIRE OF LEONORA



AUDIT AND RISK COMMITTEE MEETING

MINUTES OF MEETING HELD 15TH MARCH 2016, AT 10:52AM.

JG EPIS
CHIEF EXECUTIVE OFFICER

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURE

Chairperson, Cr PJ Craig, declared the meeting open at 10:52am.

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

2.1 Present		
President		PJ Craig
Councillors		RM Cotterill
		RA Norrie
		AE Taylor
		LR Petersen
		GW Baker
Chief Executive Officer		JG Epis
Deputy Chief Executive Officer		TM Browning
Manager Community Services		SG Butson
2.2 Apologies		
Deputy President		MWV Taylor

3.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

Draft motion: That the Minutes of the Ordinary Meeting held on 15th December, 2015 be confirmed as a true and accurate record.

Moved Cr RM Cotterill, Seconded Cr LR Petersen that the minutes of the Audit and Risk Committee Meeting held on the 15th December, 2015 be confirmed as a true and accurate record.

CARRIED (6 VOTES TO 0)

4.0 REPORTS OF OFFICERS

4.1 CHIEF EXECUTIVE OFFICER

4.1(A) TENDER – AUDIT CONTRACT

SUBMISSION TO: Meeting of Audit & Risk Committee
Meeting Date: 15th March 2016

AGENDA REFERENCE: 4.1 (A) MAR 16

SUBJECT: Tender – Audit Contract

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: Not Applicable

FILE REFERENCE: Audits – Reports and Minutes 1.10

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 8th March 2016

BACKGROUND

At the meeting held on the 15th December 2015, it was resolved that the Chief Executive Officer invite Expressions of Interest from Qualified Registered Company Auditors or Approved Auditors for the purposes of the Local Government Act 1995 to provide audit services to the Shire of Leonora for three (3) consecutive financial years with an option of a further two (2) consecutive financial years commencing 1st July, 2016.

In preparing their quotation, interested firms were requested to provide detail in regards the following:

- objectives of the audit;
- the scope of the audit;
- a plan for the audit;
- detailed remuneration and expenses to be paid for their services;
- the method Council is to use when communicating and supplying information to the auditor; and
- details in regards to experience for audit services to local government.

A notice inviting expressions of interest was published in the West Australian on the 13th January 2016 with the closing date being 4pm, 1st February 2016.

Expressions of Interest were received from:

Company Name:	2016-17 Audit Fee:	2017-18 Audit Fee:	2018-19 Audit Fee:	Two Year Option:	Inc Travel / Disbursements:	Other Services Inc:
William Buck	\$12,000	\$12,000	\$12,000	N/A	Yes	N/A
Butler Settineri	\$8,500	\$9,000	\$9,500	\$20,500	No	N/A
AMW Audit (3 yr term)	\$11,000	\$11,300	\$11,600	N/A	No	N/A
AMW Audit (5 yr term)	\$11,000	\$11,200	\$11,400	\$11,600 \$11,800	No	N/A
AMD Chartered Accountants	\$15,000	\$15,500	\$16,000	\$16,500 \$17,000	No	N/A
Byfields Business Advisors	\$17,500	\$18,000	\$18,500	N/A	No	N/A
RSM Australia	\$12,590	\$12,965	\$13,340	N/A	No	N/A
Macleod Corporation Pty Ltd	\$13,000	\$13,700	\$14,000	\$30,000	Yes	Annual R2R & Pensioner Rates Deferred Interest Claim Audits

Above fees exclude GST.

Staff have extensively reviewed the expressions of interest submitted, as well as contacted referees and clients of each company who submitted an expression of interest. Consideration toward price, approach and experience / references was included in the assessment process.

STATUTORY ENVIRONMENT

In accordance with Section 7.2 to 7.13 of the Local Government Act 1995 and Local Government Audit Regulations 4 to 8.

Section 7.3 of the Local Government Act 1995 states:

1. A Local Government is to, from time to time whenever such an appointment is necessary or expedient, appoint a person to be its auditors.
2. The Local Government may appoint one or more persons as its auditors.
3. The Local Government's auditors is to be a person who is:
 - (a) a registered company auditor; or
 - (b) an approved auditor.

Audit Committee is delegated authority by the Council to make a recommendation on the person or persons to be appointed as auditor.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

Audit fees are included in all Annual Budgets.

STRATEGIC IMPLICATIONS

There are no strategic implications resulting from the recommendation of this report.

RECOMMENDATIONS

That the Audit Committee recommend to Council that the quote submitted by Butler Settineri be accepted and that Butler Settineri be appointed as Auditors for the next three years ending 30th June, 2019, with an option to extend for a further two years and that the appointment be made in the names of Marius van der Merwe and Lucy P Gardner, Registered Company Auditors.

VOTING REQUIREMENT

Simple majority required.

COMMITTEE DECISION

Moved Cr RA Norrie, Seconded Cr GW Baker that the Audit Committee recommend to Council that the quote submitted by Butler Settineri be accepted and that Butler Settineri be appointed as Auditors for the next three years ending 30th June, 2019, with an option to extend for a further two years and that the appointment be made in the names of Marius van der Merwe and Lucy P Gardner, Registered Company Auditors.

CARRIED (6 VOTES TO 0)

5.0 NEXT MEETING

21st June, 2016 following the conclusion of the Ordinary meeting of Council commencing at 9:30am.

6.0 CLOSURE OF MEETING

There being no further business, Chairperson Cr PJ Craig declared the meeting closed at 10:59am.