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**APPENDIX 1 Unconfirmed Minutes of Audit Committee**

 **Meeting held 15 December 2015**

**MINUTES**

**For the Meeting held 26 February, 2016, in the Council Chambers, commenced at 10.50am.**

## Attendance

Cr Chris Webb Chair

 Cr Jim Quadrio President

 Cr Graham Harris Deputy President

 Cr Norma Ward

 Cr Stacey Petterson

 Cr Caroline Thomas

 Cr Regina Newland

 Dean Taylor Acting Chief Executive Officer

 Glenn Deocampo Executive Manager Corporate Services

 Katrina Boylan Senior Administration Officer

#

 **Apologies**

 Nil

# 2. Declaration of Interest

 Nil

**3. Confirmation of Minutes – 14 December 2015 attached**

That the Minutes of the meeting held on 14 December, 2015 be confirmed as a true and correct record of proceedings.

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| --- | --- |
| ***Officer Recommendation*** |  |
|  |  |
| **Moved CR Ward** | **Seconded CR petterson** |

|  |  |  |
| --- | --- | --- |
| **4.** | **Subject/Applicant:** | **Audit Services – 1st July 2016 to 30th June 2020** |
|  | File: |  |
|  | Reporting Officer: | Glenn Deocampo, Executive Manager Corporate Services |
|  | Date of Report: | 15 February 2016 |
|  | Disclosure of Interest: | Nil |

 **Purpose**

To recommend to the Council the appointment of Auditors for the period 1st July 2016 to 30th June 2020.

**Background**

The existing Audit contract with RSM Bird Cameron expires on the 30th June 2016. The present Auditors completed the Audit for the year 2014/15.

It is required to appoint Auditors for the period commencing 1st July 2016, prior to this date.

**Comment**

 Whilst Tenders can be called for Audit Services, it is not compulsory if the total cost of the service for the period does not exceed $150,000 or the company is on the WALGA preferred suppliers list. No tender has been called in being the expected total cost for a four year period contract would not exceed the required tender amount.

The Acting Chief Executive Officer has invited six organisations to submit proposals for up to a four year period. The specification used for quotation purposes has been prepared based on one used by other local governments and the Local Government Operational guidelines number 9 – Audit Committees in Local Government.

Proposals were received from four qualified firms of Certified Public Accountants invited to undertake the Shire of Wiluna Audit contract. The quotations/proposals received provide cost per year, which in each case has been escalated to allow for increased costs.

**Selection Criteria**

Selection of Audit Services was based on the following criteria;

|  |  |
| --- | --- |
| Qualifications experience & background of key personnel; | 25% |
| Demonstrated audit experience; specifically in the local government arena; | 30% |
| Methodology and Approach to Audit and | 25% |
| Cost | 20% |

The proposals were assessed by the Shire’s CEO and the reporting officer. A full detail of the assessment report is provided to the members of the committee and is considered as confidential.

Summary Assessment Report

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Criteria | % | RSM Bird Cameron | Proposal B  | Proposal C | Proposal D |
| Qualifications experience & background of key personnel | 25 | 25 | 25 | 25 | 25 |
| Demonstrated audit experience; specifically in the local government arena; | 30 | 30 | 30 | 30 | 30 |
| Methodology and Approach to Audit  | 25 | 16 | 25 | 24 | 23 |
| Cost | 20 | 20 | 8 | 15 | 13 |
| **TOTAL SCORE/100** | **100** | **91** | **88** | **94** | **91** |
| Audit Hours |  | 65 hours | 105hours | 100 hours | 95 hours |
| Indicative Price (Exc GST) First Year |  | $11,950 | $19,500 | $15,000 | $16,000 |
| Indicative Price (Exc GST) Total Cost for 4 years |  | $49,945 | $80,974 | $63,000 | $67,500 |

The costs for the basic audit function of the first year are shown in the table above as well as the total cost for the four year period. The cost of travel, accommodation, and additional services that maybe required beyond the scope of the audit engagement are additions to the fees for all the proposals received.

Each organization presently provides Audit services to a number of Local Governments. RSM Bird Cameron will only provide 65 audit hours whereas the rests will run from 95 - 105 hours.

The proposals received comply with the Audit specification and requirements.

The Officer recommends that the current auditors, RSM Bird Cameron be re-appointed as the Shire of Wiluna auditors for four year period for reasons which are abundantly obvious when comparing the submitted costings as outline in the table above.

RSM Bird Cameron successfully carried out the audit for the Shire for the past 3 years and for this financial year 2015/2016 to a satisfactory standard.

The firm presently audits a number of local governments in the Murchison area including Wiluna.

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**Consultation**

CEO

**Statutory Environment**

Local Government Act 1995 – Part 7 Audit – Division 2 Appointments of Auditors

Local Government Act 1995 Section 7.6 (1) – Term of office of auditor

**Policy Implications**

Council Policy 2.6 Purchase of Goods and Services

**Financial Implications**

The Shires allocated budget 2015/2016 for Audit Services is $30,000

**Strategic Implications**

The contract is for a period of four years beginning on 1 July 2016 and ending on 30 June 2020.

**Voting Requirement ABSOLUTE MAJORITY**.

|  |
| --- |
| ***Officer Recommendation*** |
| **Moved CR**  | **Seconded CR** |

**Committee recommends to Council that RSM Bird Cameron be re-appointed as Auditors for the Shire of Wiluna for the period 1st July 2016 to 30th June 2020.**

|  |
| --- |
| ***Council Decision*** |
| **Moved CR harris** | **Seconded CR ward** |

**Committee recommends to Council that Russel Harrison of Lincolns be appointed as Auditors for the Shire of Wiluna for the period 1st July 2016 to 30th June 2020.**

*Reason for Change : Audit Committee decided that Lincolns offered a better service*

**CARRIED 7/0 by Absolute Majority**

**5. The meeting was closed at 11.12am.**