

SHIRE OF MT MARSHALL



Mt Marshall Audit Committee

**Minutes of the
Mt Marshall Audit Committee Meeting
held on Tuesday 16 May 2017
in Council Chambers,
80 Monger St, Bencubbin
commencing at 6:31pm.**

Chairman

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intentionally**

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1.0 Declaration of Opening / Announcement of Visitors

The Presiding Member declared the meeting open at 6.31 pm.

2.0 Record of Attendance / Apologies

Attendance

Cr RM Kirby	President/ Chairman
Cr SE Faulkner	Deputy President / Deputy Chairman 6.32 – 6.34pm
Cr ARC Sachse	Councillor
Cr HJ Shemeld	Councillor
Cr NR Gillett	Councillor

Mr John Nuttall	Chief Executive Officer
Ms Nadine Richmond	Executive Assistant
Ms Tanika McLennan	Finance and Administration Manager

Apologies

Cr CT Lumsden	Councillor
Cr WJ Beagley	Councillor

3.0 Standing Orders

Audit2017/05-1 COMMITTEE DECISION:

That Standing Order number 9.2 - Limitation of Number of Speeches be suspended for the duration of the meeting to allow for greater debate on items in the agenda.

Moved Cr ARC Sachse Seconded Cr HJ Shemeld Carried 4/0

Cr Stuart Faulkner entered the meeting at 6.32pm.

4.0 Confirmation of Minutes of Previous Meetings

4.1 Minutes of Mt Marshall Audit Committee

Audit2017/05-2 COMMITTEE DECISION:

That the Minutes of the Audit Committee Meeting held on Tuesday 21 March 2017 be confirmed as a true and correct record of proceedings.

Moved Cr ARC Sachse Seconded Cr NR Gillett Carried 5/0

5.0 Reports of Officers

5.2 Appointment of Auditors

File No:	F1/2
Location/Address:	N/A
Name of Applicant:	Nil
Name of Owner:	N/A
Author:	Tanika McLennan – Finance & Administration Manager
Attachments:	5.2 - Quote from Moore Stephens
Declaration of Interest:	Nil
Voting Requirements:	Simple Majority
Previously Considered:	Nil

Background:

The Local Government Act 1995 requires a local government to appoint an auditor to audit the financial reports of a local government.

The appointment is to be an approved auditor and for a period of not more than five years. Auditors are eligible for reappointment.

Consultation:

Nil

Statutory Environment:

Local Government Act 1995

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.

Relevant Plans and Policy:

N/A

Financial Implications:

2017/18 - \$20,650

2018/19 - \$20,700

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Risk Assessment:

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation. It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

Community & Strategic Objectives:

N/A

Comment:

The current contract with Auditors, Greg Godwin, David Tomasi and Wen-Shien Chai of Moore Stephens, expires at the completion of the 2016/17 Annual Audit. Although legislation has been introduced into State Parliament providing for the appointment of the Auditor General as the auditor for Local Government, the Bill is yet to be passed and the Auditor General's office, is not likely to be in a position to take on this role for at least two years. As a result, quotes were sought from Audit firms listed on WALGA's preferred supplier panel.

Deloitte Risk Advisory Pty Ltd

The following response was received to the request for quote:

"Thank you for your invitation. Having considered your request, we respectfully decline to submit a quotation as our team is currently not structured to meet the Shire's requirements. Please do not hesitate to contact me if you require any clarification of our response.

Please note that Deloitte would welcome the Shire's request for quotation, should you have a future need for our related services, including internal audit, contract assurance, IT security audit, Health and safety audit/advisory, forensic/investigation services or risk management services.

All the best for a good outcome for the Shire!"

Ernst & Young

Navin Sitambaram responded to the request by telephone and declined to quote.

Moore Stephens (formerly known as UHY Haines Norton)

Quote is provided at **Attachment 11.1.1**.

Moore Stephens have been conducting the Shire's audit for at least the past twenty years and have a thorough understanding of the Shire of Mt Marshall's accounting systems and processes. They also have a considerable depth of local government experience being the auditors for 47 local governments in Western Australia.

Moore Stephens has quoted the following for the audit services:

		<u>Fee Quote</u>	<u>Travel Costs</u>	<u>GST</u>	<u>Total (GST Incl.)</u>
		\$	\$	\$	\$
Year Ended-	30 June 2018	20,000	650	2,065	22,715

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	30 June 2019	20,000	700	2,070	22,770
	30 June 2020	Not quoted – assumed Auditor General will be responsible			

Council and staff have been very happy with the current auditor and the services provided over the past many years. In view of this, and that the proposed costs have not increased from the 30 June 2017 fees, it is recommended that Moore Stephens be reappointed.

Audit2017/05-3 OFFICER'S RECOMMENDATION / COMMITTEE DECISION:

That the Audit Committee recommend to Council:

- 1. The quotation from Moore Stephens for audit services for the period 1 July 2017 to 30 June 2019 be accepted; and***
- 2. Messrs. DJ Tomasi, G Godwin and Wen-Shien Chai of Moore Stephens be appointed as the Shire's auditors for the contract period to 30 June 2019.***

Moved Cr HJ Shemeld

Seconded Cr ARC Sachse

Carried 5/0

Chairman Initial

6.0 Next Meeting – to be advised

7.0 Closure of Meeting

The Chairman declared the meeting closed at 6.34pm

These Minutes were confirmed by the Mt Marshall Audit Committee at its meeting held

Date

Chairman