



**City of Busselton**  
*Geographe Bay*

## **Audit Committee Agenda**

***10 March 2016***

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

**CITY OF BUSSELTON**


**MEETING NOTICE AND AGENDA – 10 MARCH 2016**

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**TO: THE MAYOR AND COUNCILLORS**

**NOTICE** is given that a meeting of the Audit Committee will be held in the Meeting Room B2, City Administration Site, Harris Road, Busselton on Thursday, 10 March 2016, commencing at 9.00am.

The attendance of Committee Members is respectfully requested.



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**MIKE ARCHER**

**CHIEF EXECUTIVE OFFICER**

9 March 2016

CITY OF BUSSELTON

AGENDA FOR THE AUDIT COMMITTEE MEETING TO BE HELD ON 10 MARCH 2016

TABLE OF CONTENTS

<b>ITEM NO.</b>	<b>SUBJECT</b>	<b>PAGE NO.</b>
1.	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS.....	4
2.	ATTENDANCE .....	4
3.	ELECTION OF A PRESIDING MEMBER .....	4
4.	ELECTION OF A DEPUTY PRESIDING MEMBER .....	4
5.	PUBLIC QUESTION TIME.....	4
6.	DISCLOSURE OF INTERESTS .....	4
7.	CONFIRMATION OF MINUTES .....	4
	7.1 Minutes of the Audit Committee held on 7 October 2015.....	4
8.	REPORTS .....	5
	8.1 COMPLIANCE AUDIT RETURN 2015 .....	5
9.	GENERAL DISCUSSION ITEMS .....	23
10.	NEXT MEETING DATE .....	23
11.	CLOSURE .....	23

1. **DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS**

2. **ATTENDANCE**

**Apologies**

**Approved Leave of Absence**

Nil

3. **ELECTION OF A PRESIDING MEMBER**

4. **ELECTION OF A DEPUTY PRESIDING MEMBER**

5. **PUBLIC QUESTION TIME**

6. **DISCLOSURE OF INTERESTS**

7. **CONFIRMATION OF MINUTES**

7.1 **Minutes of the Audit Committee held on 7 October 2015**

**RECOMMENDATION**

That the Minutes of the Audit Committee Meeting held 7 October 2015 be confirmed as a true and correct record.

## **8. REPORTS**

### **8.1 COMPLIANCE AUDIT RETURN 2015**

<b>SUBJECT INDEX:</b>	Reporting and Compliance
<b>STRATEGIC OBJECTIVE:</b>	Governance systems that deliver responsible, ethical and accountable decision-making.
<b>BUSINESS UNIT:</b>	Governance Services
<b>ACTIVITY UNIT:</b>	Governance Services
<b>REPORTING OFFICER:</b>	Manager, Governance Services - Lynley Rich Director, Finance and Corporate Services - Matthew Smith
<b>AUTHORISING OFFICER:</b>	Chief Executive Officer - Mike Archer
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Compliance Audit Return 2015 Attachment B Auditor's Overview Report

### **PRÉCIS**

The Compliance Audit Return relating to the activities of the City of Busselton during 2015 has been completed. The return is a statutory obligation and covers a range of requirements under the *Local Government Act 1995* and various Regulations.

The completed Compliance Audit Return is attached to this report for the consideration of the Council. The return is recommended for adoption, after which it will be forwarded to the Department of Local Government and Communities as required by the 31 March 2016.

### **BACKGROUND**

The Compliance Audit Return is one of the tools enabling a local government to monitor how the organisation is functioning. An external auditor was engaged to verify the organisation's compliance to enable independent oversight of the process.

The compliance assessment is an organisational performance measurement "Compliance Assessment – Measure – Report from external inspector as to City's compliance as provided by the Department of Local Government".

### **STATUTORY ENVIRONMENT**

The Statutory Compliance Return is required pursuant to Section 7.13(i) of the *Local Government Act 1995* and Audit Regulations. The Audit Regulations require that the audit results are presented to the Audit Committee for reporting to the Council.

The audit examines a range of systems and processes of the local government that are established to ensure compliance with the relevant legislation. It is noted that some of these systems and processes will require review and updating, for example gift disclosure forms and annual report forms, as a result of recent changes to legislation and new processes will need to be implemented.

### **RELEVANT PLANS AND POLICIES**

NA.

## **FINANCIAL IMPLICATIONS**

Costs associated with the appointment of the external auditor were expected and included in the 2015/16 budget.

### **Long-term Financial Plan Implications**

NA.

## **STRATEGIC COMMUNITY OBJECTIVES**

The compliance assessment is one of the mechanisms that enables the organisation to ensure that it has governance systems that deliver responsible, ethical and accountable decision-making.

## **RISK ASSESSMENT**

The whole process of the compliance assessment is about identifying risks to the organisation where non-compliant activities have potentially occurred.

## **CONSULTATION**

The questions listed in the compliance return provided by the Department of Local Government and Communities have been responded to by designated council staff responsible for the actions required to comply with the appropriate legislation. The Auditor, Lindsay Delahaunty, was required to review the appropriateness of responses provided in the return and inspect any supporting documentation and registers to ensure the action taken was appropriate, accurate and meets the requirements of the legislation.

## **OFFICER COMMENT**

The attached Compliance Audit Return demonstrates that the organisation has a good understanding of statutory requirements and has applied the correct interpretation to these requirements. The return, and therefore the auditor, examined the organisation's processes and records relating to:

- Commercial Enterprises by Local Government;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;
- Finance;
- Local Government Employees;
- Official Conduct;
- Tenders for providing Goods and services.

The external auditor advised that during the course of the audit he reviewed various registers and supporting documentation. This demonstrated that a correct interpretation exists at the City of the various provisions of the Local Government Act and Regulations, fostering a desirable culture of compliance. All of the Council records viewed during the audit had been well maintained and found to be accurate and of a high standard.

Only one minor matter was raised during the audit, whereby a delegation to a Committee did not identify the requirement for an absolute majority decision of Council to be achieved. However, as the absolute majority was achieved, the matter was still assessed to be compliant.

In response to staff's identification of the issue, the auditor stated that it is noted that the Council adopted revised governance arrangements and terms of reference for the Meelup Regional Park Management committee at its meeting held 14<sup>th</sup> October 2015. This decision was not carried by absolute majority as required, due to a human error in the report presented to the Council. The motion was fortunately carried 8/1 which would have met the absolute majority requirements had that been requested. This matter should be rectified when the Council undertakes its annual review of delegations in June 2016.

## **CONCLUSION**

It is recommended that the Council adopt the return for submission to the Department of Local Government and Communities.

## **OPTIONS**

The option that would be available to the Council in order to comply with the requirement to lodge the return with the Department of Local Government and Communities by the end of March would be to query any of the responses provided and recommend a different response to the Department prior to adopting the return for submission.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The certified return must be lodged with the Department of Local Government and Communities by 31 March 2016.

## **OFFICER RECOMMENDATION**

That the Council:

1. accepts the report from Mr Lindsay Delahaunty in relation to his assessment of the City's compliance in 2015;
2. adopts the Compliance Audit Return 2015;
3. authorises the Mayor and Chief Executive Officer to sign the joint certificate.

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

## Busselton - Compliance Audit Return 2015

### 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 2015.	Yes	A Business Plan was prepared relating to the 'Busselton Regional Airport Redevelopment'. No other major trading undertakings were contemplated.	Mike Archer
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 2015.	N/A		Mike Archer
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 2015.	N/A		Mike Archer
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 2015.	Yes	The notice of the 'Busselton Regional Airport Redevelopment' major trading undertaking was advertised from 8 July 2015, including in the West Australian newspaper as required.	Mike Archer
5	s3.59(5)	Did the Council, during 2015, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	Yes	The Council resolved to proceed with the major trading undertaking for the 'Busselton Regional Airport Redevelopment' by absolute majority at its meeting of 26 August, 2015.	Mike Archer



Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

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	10 June 2015 (C1506/161) and 14 October 2015 (C1510/294 and C1510/296) by absolute majority. While the report does not specify the absolute majority relating to the Meelup Committee's delegation, the vote did achieve an absolute majority as required	Lynley Rich
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Lynley Rich
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Lynley Rich
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Lynley Rich
5	s5.18	Has Council reviewed delegations to its committees in the 2014/2015 financial year.	Yes	10 June 2015 (C1506/161)	Lynley Rich
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		Lynley Rich
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes	10 June 2015 (C1506/161) by absolute majority	Lynley Rich
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Lynley Rich
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Lynley Rich
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Lynley Rich
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Lynley Rich
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 2014/2015 financial year.	Yes	10 June 2015 (C1506/161) and by the CEO on 15 June, 2015	Lynley Rich
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		Lynley Rich
Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

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		Lynley Rich
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.	N/A		Lynley Rich
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		Lynley Rich
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	Three new elected members were elected in October 2015. All primary returns were lodged prior to the expiration of three months in January 2016.	Lynley Rich
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		Lynley Rich
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2015.	Yes		Lynley Rich
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2015.	Yes		Lynley Rich
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		Lynley Rich
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		Lynley Rich
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		Lynley Rich
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	The returns from three former elected members were removed following the October 2015 election. Returns from staff whose employment has ceased have also been removed.	Lynley Rich
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		Lynley Rich

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
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		Lynley Rich
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.	N/A		Lynley Rich
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.	N/A		Lynley Rich
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Lynley Rich

#### 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		Mike Archer
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		Mike Archer

#### 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	An electoral gift register exists, however, no disclosures of gifts were made in relation to the 2015 ordinary local government election.	Lynley Rich

#### Finance

No	Reference	Question	Response	Comments	Respondent
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Department of Local Government and Communities - Compliance Audit Return



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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	Council resolutions C1510/294 and C1510/275 from 14 October 2015 and 19 October 2015 (members) by absolute majority.	Matthew Smith
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.	Yes		Matthew Smith
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes	Registered Company Auditors Nos. 225698 and 308235.	Matthew Smith
4	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	Council resolution C1310/265 (9th October 2013) carried by absolute majority.	Matthew Smith
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2015 received by the local government within 30 days of completion of the audit.	Yes	On-site component of audit finalised on 11th September 2015, with Auditor's report received on 1st October 2015.	Matthew Smith
6	s7.9(1)	Was the Auditor's report for 2014/2015 received by the local government by 31 December 2015.	Yes	Auditor's report was received on 1st October 2015.	Matthew Smith
7	S7.12A(3)	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		Matthew Smith
8	S7.12A (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		Matthew Smith
9	S7.12A (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		Matthew Smith
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes	Refer Audit Agreement dated 4th November, 2013.	Matthew Smith
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes	Refer Audit Agreement dated 4th November 2013.	Matthew Smith
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes	Refer Audit Agreement dated 4th November 2013.	Matthew Smith

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
13	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	Refer Audit Agreement dated 4th November 2013.	Matthew Smith
14	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	Refer Audit Agreement dated 4th November 2013.	Matthew Smith

**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		Mike Archer
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.	N/A		Mike Archer
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		Mike Archer
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		Mike Archer
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		Mike Archer

Department of Local Government and Communities - Compliance Audit Return



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Department of Local Government and Communities

<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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.	Yes	The Director, Finance and Corporate Services, Matthew Smith is the complaints officer.	Matthew Smith
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	Note: No complaints were received in relation to the period covered by the Return.	Matthew Smith
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		Matthew Smith
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		Matthew Smith
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		Matthew Smith
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) or (c).	Yes		Matthew Smith

<b>Tenders for Providing Goods and Services</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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	Analysis of the City's supplier payments for the 2015 calendar year undertaken	Matthew Smith
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.	Yes	Analysis of the City's supplier payments for the 2015 calendar year undertaken	Matthew Smith
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes	A copy of the Statewide public notice of each invitation to tender is included in the Tender Register	Matthew Smith

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes	See copies of the Statewide public notices for each invitation to tender in the Tender Register	Matthew Smith
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	Records were kept of each person requesting tender documents and each such person was notified in writing of any variation	Matthew Smith
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes	Only hard copy tenders were allowed to be submitted. All tenders received remained sealed and were kept in a locked 'tender box' until the tender closing time. Members of the public were at all times allowed to attend tender openings. Other relevant details are in the Tender Register	Matthew Smith
7	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	All tenders not submitted at the place and within the time specified in the invitation for tenders, were marked as such and rejected and copies have been maintained within the City's records	Matthew Smith
8	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	See written reports of evaluation panels for all tenders which are in the City's records system (electronic tender files). Evaluation reports formed the basis of all tender award decisions - evaluation report attached to Council report or memo to CEO as applicable	Matthew Smith
9	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	See the Tender Register	Matthew Smith

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes	Except for RFT03/15, RFT08/15, RFT10/15 and tenders which are still under evaluation, notices advising particulars of the successful tenders or advising that no tender was accepted were sent to each tenderer. In respect of RFT03/15, RFT08/15 and RFT10/15 each tenderer was advised of the name of the successful tenderer but not with particulars of the contract price	Matthew Smith
11	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	The only time the City followed the preliminary selection process under Reg 21 & 22, was in relation to RFT05/15 - Construction of the City of Busselton New Admin and Civic Building	Matthew Smith
12	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		Matthew Smith
13	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	See the Tender Register	Matthew Smith
14	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	See correspondence in City's records system (electronic tender file)	Matthew Smith
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	Yes	Under RFT06/15 the City of Busselton invited applicants for a panel of pre-qualified suppliers to establish an Engineering Consultancy Panel. The relevant Statewide public notice was published 20 June 2015 with the closing date for submissions 21 July 2015 but, prior to the panel being established, the changes to F&G Regs in relation to panels of pre-qualified suppliers came into effect on 1 October 2015 and the City decided not to proceed with establishing a panel and subsequently cancelled RFT06/15. All persons submitting a proposal were notified accordingly	Matthew Smith



Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia  
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A	The City has not invited any submissions for or sought to establish any panels of pre-qualified suppliers in accordance with Division 3 of the F&G Regs	Matthew Smith
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A	The City has not invited any submissions for or sought to establish any panels of pre-qualified suppliers in accordance with Division 3 of the F&G Regs	Matthew Smith
18	F&G Reg 24AD(6)	If the local government to sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A	The City has not invited any submissions for or sought to establish any panels of pre-qualified suppliers in accordance with Division 3 of the F&G Regs	Matthew Smith
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A	The City has not invited any submissions for or sought to establish any panels of pre-qualified suppliers in accordance with Division 3 of the F&G Regs	Matthew Smith
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A	The City has not invited any submissions for or sought to establish any panels of pre-qualified suppliers in accordance with Division 3 of the F&G Regs	Matthew Smith
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A	The City has not established any panels in accordance with this regulation	Matthew Smith
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A	See question 21 above	Matthew Smith
23	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	On all occasions that regional price preference was applied in 2015, the City's policy adopted in 2010 was complied with	Matthew Smith
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A	City's current policy adopted in 2010	Matthew Smith

Department of Local Government and Communities - Compliance Audit Return



Government of **Western Australia**  
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
25	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, \$150,000 or less.	N/A	The City has 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. Subject to relevant exemptions under the F&G Regs, the City publicly invites tenders for the supply of goods and services in accordance with Part 4 of the F&G Regs where the consideration under the contract is, or is expected to be, \$100,000 or more. Despite the changes to the F&G Regs which came into effect on 1 October 2015, the City continued to maintain the same purchasing requirements and thresholds for the remainder of 2015. The City will operate in accordance with new purchasing thresholds only after a revised purchasing policy is adopted by the Council in March 2015	Matthew Smith

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

\_\_\_\_\_  
Signed Mayor / President, Busselton

\_\_\_\_\_  
Signed CEO, Busselton

## **LINDSAY DELAHAUNTY CONSULTING**

### **AUDIT REPORT ON THE CITY OF BUSSELTON COMPLIANCE RETURN 2015**

#### **Introduction**

The period covered by this return is from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015. Questions are set by the Department of Local Government and Community, as part of a self-assessment process on compliance standards maintained by the City, under various legislative processes prescribed by the Local Government Act 1995 and various Regulations during a given calendar year.

The questions listed in the compliance return provided by the Department have been responded to by designated council staff responsible for the actions required to comply with the appropriate legislation.

#### **Brief**

This Audit is required to review the appropriateness of responses provided in the return and inspect any supporting documentation and Registers to ensure the action taken is appropriate, accurate and meets the requirements of the legislation.

#### **General comments on the Return**

The responses supplied in the draft return were found to be accurate, timely and demonstrated correct interpretation of the relevant legislation. The supporting registers and documentation were found to be of a high standard and recorded relevant information. The writer of this report was suitably impressed with the enthusiasm and knowledge displayed by the staff and the high standard of records inspected.

The Compliance Return supplied by the Department of Local Government and Communities for 2015 covered the following areas of the Act:-

- Commercial Enterprises by Local Government;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;
- Finance;
- Local Government Employees;
- Official Conduct;
- Tenders for providing Goods and services.

The Audit was carried out on site on Thursday 3<sup>rd</sup> March 2016 with some preliminary and post work carried out online, leading to the preparation of this report. All supporting documentation was readily made available during the Audit and explanations provided where required.

Details of the areas covered by the Audit are elaborated on in the following information.

### Commercial Enterprises by Local Government

The only occasion the City was required to comply with section 3.59 of the Act was the preparation of a detailed business plan on the “Busselton Regional Airport Redevelopment”. This plan was approved by the Council and advertised for public comment in the West Australian newspaper on 8<sup>th</sup> July 2015.

The Council resolved by absolute majority to proceed with the project at its meeting on the 26<sup>th</sup> August 2015. Work on the project is still ongoing.

### Delegation of Power and Duty

All delegations undertaken by the Council to Committees and the CEO were made in accordance with the Act and correctly recorded. The Council reviewed all delegations at its Council Meeting held 6<sup>th</sup> June 2015 in accordance with sections 5.18 & 5.42.

The CEO did “on-delegate” some decisions to be made by other senior staff which was in writing and recorded in the register accordingly.

When decision making was made on behalf of the Council it was duly reported and a public record maintained.

It is noted that the Council adopted revised governance arrangements and terms of reference for the Meelup Regional Park Management committee at its meeting held 14<sup>th</sup> October 2015 (C1510/294 and C1510/296). This decision was not carried by absolute majority as required, due to a human error in the report presented to the Council. The motion was fortunately carried 8/1 which would have met the absolute majority requirements had that been requested. This matter should be rectified when the Council undertakes its annual review of delegations in June 2016.

### Disclosure of Interest

During the year under review there were limited occasions where financial or impartiality interest was declared. All conditions laid down under the Act were complied with and recorded accordingly.

All members and required staff have delivered annual returns within the prescribed time frame, signifying their ongoing or new interests for the period under review. These returns have been filed in a register and were viewed during the Audit.

Primary returns were also received from three new members elected in October 2015 in the time frame prescribed.

Having viewed the register of interest it was apparent there is a clear understanding of the legislative requirements in this area by both members and staff.

In accordance with section 5.103 of the Act and regulation 34b the CEO has maintained a register of all gifts received by members and staff. There is clear evidence of diligent compliance with the City's adopted policy, due mainly to the growing number of events promoted and sponsored by the City.

### Disposal of Property

There were four occasions the City gave consideration to lease property.

- Jet Fuel Facility at Busselton Regional Airport;
- Commercial Lease at the Geographe Leisure Centre;
- Appleshak Café at the Geographe Leisure Centre;
- Health Suite at the Geographe Leisure Centre.

In accordance with section 3.58 these proposals were all advertised in the local paper.

### Elections

The bi-annual General Election was conducted by the State Electoral Commission in October 2015. The CEO did establish an electoral gift register; however no record of gifts was recorded by candidates participating in the election.

### Finance

The Council established an Audit Committee in accordance with the Act and delegated powers to that committee under Part 7 of the Act at its meetings held 14<sup>th</sup> and 19<sup>th</sup> October 2015 (C1510/294 & C1510/275).

The Council appointed registered auditors Mr Tim Partridge (2256398) and Mrs Maria Cavallo (308235) from AMD Chartered Accountants, at its meeting held 9<sup>th</sup> October 2013 (C1310/265) for a period of 5 years and was carried by absolute majority.

The Annual Audit Report was received by the Council on 1<sup>st</sup> October 2015 with no major issues being listed for action.

The audit objectives, scope, and plan had been previously agreed to by the Council on the 4<sup>th</sup> November 2013.

### Local Government Employees

Due to no recruitment requirements arising during this period for CEO or Designated Senior Employees there was no action required in this area.

### Official Conduct

In accordance with section 5.120 of the Act, the Director of Finance and Corporate Services was appointed Official Complaints Officer. Fortunately he was not required to act in this capacity as there was no official complaint received during the period under review. The Audit was able to review the Complaints Register and confirms it is correctly maintained.

### Tenders for providing goods and services

During the period under review there were numerous occasions where the Council was required to call tenders for the provision of goods and services. On all occasions State wide public notice was given and correct procedures followed as prescribed in section 3.57 of the Act and the Functions and General Regulations.

The Tender Register was reviewed during the audit and found to be maintained in accordance with the Act and Regulation provisions.

It was noted that during the year the regulations were amended to lift the level requirement to go to tender from \$100,000 to \$150,000. The City has continued to work with the \$100,000 level for the period and will soon be putting a report to the Council to consider a policy amendment to \$150,000.

The Council does have an existing Regional Pricing Policy adopted by the Council in 2010 (C1012/415) and was complied with during the period under review.

Only on one occasion did the City call for Expressions of interest; and that was for the construction of a new administration and civic building. In accordance with regulation 21 & 22 of the Functions and General Regulations, a short list was formed before going to tender. This was appropriately recorded in the Tender Register.

Although the City did advertise Statewide (RFT06/15) to establish an Engineering Consultancy Panel it decided to not proceed with the formation of same and notified applicants accordingly. This action is in accordance with Functions and General Regulations.

### Conclusion

During the course of the audit I reviewed various registers and supporting documentation. This has demonstrated that a correct interpretation exists at the City, of the various provisions of the Local Government Act and Regulations fostering a desirable culture of compliance.

All of the Council Records viewed during the audit have been well maintained and found to be accurate and of a high standard.

Lindsay Delahaunty FLGMA; FAIM

Dated 8<sup>th</sup> March 2016.

**9. GENERAL DISCUSSION ITEMS**

**10. NEXT MEETING DATE**

To be advised.

**11. CLOSURE**