



Shire of  
**Chapman Valley**  
*Love the Rural Life*

# AGENDA

## **FINANCE & AUDIT COMMITTEE MEETING WEDNESDAY 6<sup>TH</sup> FEBRUARY 2013 COUNCIL CHAMBERS NABAWA 3.00PM**

**The Finance and Audit Committee is comprised of:-**

**Cr John Collingwood  
Cr Beverley Davidson  
Cr Pauline Forrester**

<b>Chief Executive Officer</b>	<b>(Advisor)</b>
<b>Manager of Finance</b>	<b>(Advisor)</b>
<b>Executive Assistant</b>	<b>(Minute Taker)</b>
<b>Greg Godwin</b>	<b>UHY Haines Norton (Auditor)</b>

**THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY**

## DISCLAIMER



No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on

### WRITTEN CONFIRMATION

Of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

  
Stuart Billingham  
CHIEF EXECUTIVE OFFICER

**THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY**

# AGENDA

## FINANCE & AUDIT COMMITTEE MEETING TO BE HELD IN THE COUNCIL CHAMBERS, NABAWA WEDNESDAY 6<sup>TH</sup> FEBRUARY 2012 AT 3.00PM

---

### ORDER OF BUSINESS

#### 1.0 Declaration of Opening / Announcements of Visitors

#### 2.0 Record of Attendance

##### 2.1 Present

Please note that Mr Greg Goodwin from UHY Haines Norton will be attending the meeting via phone link.

##### 2.2 Apologies

#### 3.0 Applications for Leave of Absence

#### 4.0 Petitions / Deputations / Presentations

#### 5.0 Confirmation of Minutes from previous meetings

**Page 7**

Finance and Audit Committee Meeting held on Tuesday 17 April 2012

‘Recommend that the minutes of the Finance and Audit Committee of the Shire of Chapman Valley held on Tuesday 17 April 2012 be confirmed as a true and accurate record of proceedings.’

#### 6.0 Agenda Items

##### 6.1 Management Report 30 June 2012

**Page 17**

##### 6.2 Audit Report 30 June 2012

**Page 22**

##### 6.3 Compliance Audit Return

**Page 26**

#### 7.0 Information Items

#### 8.0 General Business

#### 9.0 Closure

**THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY**



Shire of  
**Chapman Valley**  
*Love the Rural Life*

# UNCONFIRMED MINUTES

**FINANCE & AUDIT COMMITTEE MEETING  
TUESDAY 17<sup>TH</sup> APRIL 2012  
COUNCIL CHAMBERS, NABAWA  
10.00AM**

**The Finance and Audit Committee Members:**

Cr John Collingwood	(Chairman)
Cr Beverley Davidson	
Cr Pauline Forrester	
Chief Executive Officer	(Advisor)
Accountant	(Advisor)

**UNCONFIRMED MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING HELD IN THE  
NABAWA COUNCIL CHAMBERS ON TUESDAY 17<sup>TH</sup> APRIL 2012 AT 10.05AM**

---

**1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chief Executive Officer, Mr Billingham declared the meeting open at 10.05am.

**2.0 RECORD OF ATTENDANCE**

**2.1 Present**

*Councillors*

Cr J Collingwood

North East Ward

Shire President

Cr P Forrester

North East Ward

*Staff*

Mr S Billingham

Chief Executive Officer

(Advisor)

**2.2 Apologies**

Cr B Davidson

North East Ward

Mrs D Barndon

Accountant

**2.3 Leave of Absence Previously Approved**

Nil

**3 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**4 PETITIONS/ DEPUTATIONS/ PRESENTATIONS**

Nil

**5 Election of Chairman**

The Chief Executive Officer declared the position of chairman vacant and called for nominations for the position of Chairman of the Finance and Audit Committee. Cr Forrester nominated Cr Collingwood. No other nominations, for the position of Chairman, being received Cr Collingwood was elected to the chair unopposed.

Cr Collingwood assumed the chair at 10.07am

**6 AGENDA ITEMS**

<b>AGENDA ITEM:</b>	<b>6.1</b>
<b>SUBJECT:</b>	<b>MINUTES – MEETING HELD 09 JUNE 2011</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>

**MOVED: CR FORRESTER**

**SECONDED: CR COLLINGWOD**

**That the minutes of the Finance and Audit Committee meeting held on Thursday 09<sup>th</sup> June 2011 be confirmed as a true and accurate record.**

**CARRIED  
Voting 2/0**

**Minute Reference FAC 04/12 - 1**

<b>AGENDA ITEM:</b>	<b>6.2</b>
<b>SUBJECT:</b>	<b>MEET WITH COUNCIL'S AUDITOR</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>305.05</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>16<sup>th</sup> APRIL 2012</b>
<b>AUTHOR:</b>	<b>STUART BILLINGHAM</b>

#### **DISCLOSURE OF INTEREST**

Nil

#### **BACKGROUND**

Amendments to the *Local Government Act 1995* in 2005 introduced a requirement that all Local Governments establish an Audit Committee. The *Local Government Act 1995* and associated regulations provide the guidelines under which Audit Committees should operate. The roles and responsibilities require the Committee to meet with the auditor at least once a year and this meeting may be by electronic means such as video or telephone, or in person as will be the case at the meeting on 17<sup>th</sup> April 2012.

#### **COMMENT**

Mr Greg Goodwin, Council's Auditor from UHY Haines Norton will address Council to discuss the outcomes of the recent Interim Audit and other financial matters as considered necessary.

#### **STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996.

#### **POLICY IMPLICATIONS**

None applicable.

#### **FINANCIAL IMPLICATIONS**

None applicable.

#### **STRATEGIC IMPLICATIONS**

None applicable.

#### **VOTING REQUIREMENTS**

Simple.

#### **STAFF RECOMMENDATION/ COUNCIL DECISION:**

**MOVED: CR FORRESTER**

**SECONDED: CR COLLINGWOOD**

**That the Verbal Auditor's Report for 30 June 2011 be received.**

**CARRIED**  
**Voting 2/0**

**Minute Reference FAC 04/12 - 2**

<b>AGENDA ITEM:</b>	<b>6.3</b>
<b>SUBJECT:</b>	<b>MANAGEMENT REPORT 30 JUNE 2011</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>305.05</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>16<sup>th</sup> APRIL 2012</b>
<b>AUTHOR:</b>	<b>STUART BILLINGHAM</b>

## **DISCLOSURE OF INTEREST**

Nil

## **BACKGROUND**

The Shire of Chapman Valley has received the Management Report from its Auditors UHY Haines Norton. (Please refer to Management Report Letter submitted as a separate attachment).

The following Management Issues were raised:

### Management Report

- Revaluation of Roads Infrastructure Assets

Council has adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. We note the last revaluation was carried out in 2007.

**To help to ensure the fair value is correctly reflected at balance date we recommend a revaluation be carried out at least every 3 to 5 years.**

- Trust Bank Reconciliations

During our review of account reconciliations, it was noted that either no reconciliations have been done for the Trust Bank Account or, where done, the reconciliations were not signed and dated by the preparer/or reviewer.

**To help ensure adequate controls are in place, we recommend the trust bank reconciliations be prepared on a monthly basis and be signed and dated by the preparer and the reviewer.**

- Unclaimed Trust Monies

During our review of the trust account we noted a few unclaimed, long outstanding trust balances for which supporting documentation was not available.

**To help ensure all Trust monies are properly monitored, we recommend the unclaimed balances be reviewed and relevant supporting documents be filed for future reference.**

- Year End Audit Readiness

As you may be aware, we experienced delays in the finalisation of the year end audit due mostly to key staff changes close to year end. Matters encountered during the course of the Audit which contributed to the delay included:

- The final draft financial report did not agree to the Trial Balance and the Budget.
- The Fixed Asset Register was not reconciled to the General Ledger.
- Significant changes to the initial financial report were required in order to arrive at the final compliant financial report.

**To help ensure future audits are able to be completed in a timely manner, we recommend the above matters be address prior to audit commencement.**

## COMMENT

### Management Report

- Revaluation of Roads Infrastructure Assets

To ensure compliance with Council's policy of revaluing roads with sufficient regularity to ensure fair value is correctly reflected, it is intended for the Shire to undertake a Revaluation of its Roads Infrastructure Assets. This will be undertaken by OPUS consultants using ROMANS 2 during 2012/13 year.

- Trust Bank Reconciliations

Monthly bank reconciliations are now undertaken for all three Shire Bank Accounts:

- Municipal Fund Bank
- Reserve Fund Bank
- Trust Fund Bank

Each month's reconciliation is now signed and dated by the preparer and reviewer of the Monthly Bank Reconciliation document.

- Unclaimed Trust Monies

A full review of all Trust Funds held by the Shire of Chapman Valley is being undertaken, with supporting documents being sought out where possible or available.

- Year End Audit Readiness

Due to a changeover in senior finance staff and the Chief Executive Officer (CEO) close to year end, delays were to be expected. To ensure audit readiness next year, prior to the final audit, the following matters raised are to be addressed:

- The initial draft financial report to agree to Trial Balance and the Budget.
- The Fixed Asset Register to be reconciled to the General Ledger.
- The initial financial report to be prepared as well as possible to ensure it is as close as possible to compliance to the final audited financial report.

## STATUTORY ENVIRONMENT

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996.

## POLICY IMPLICATIONS

None applicable.

## FINANCIAL IMPLICATIONS

None applicable.

## STRATEGIC IMPLICATIONS

None applicable.

## VOTING REQUIREMENTS

Simple.

## STAFF RECOMMENDATION/ COUNCIL DECISION

**MOVED: CR FORRESTER**

**SECONDED: CR COLLINGWOOD**

**That the CEO Report on the explanation of and actions taken on issues raised in the Management Letter for the year ended 30<sup>th</sup> June 2011 be received.**

**CARRIED  
Voting 2/0**

**Minute Reference FAC 04/12 - 3**

<b>AGENDA ITEM:</b>	<b>6.4</b>
<b>SUBJECT:</b>	<b>AUDIT REPORT 30 JUNE 2011</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>305.05</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>16<sup>th</sup> APRIL 2012</b>
<b>AUTHOR:</b>	<b>STUART BILLINGHAM</b>

## **DISCLOSURE OF INTEREST**

Nil

## **BACKGROUND**

The Shire of Chapman Valley has received the Final Audit Report from its Auditors UHY Haines Norton. (Please refer to Final Audit Report submitted as a separate attachment).  
The following Non Compliance Matters were raised:

### Audit Report

- Fees and Charges 'Camping Grounds'

S6.19 of the *Local Government Act 1995*, requires a Local Government wishing to introduce a Fee or Charge after the budget, is by Local Public Notice to advertise its intention to introduce the new fee or charge and the date it is proposed to be imposed.

## **COMMENT**

### Audit Report

- Fees and Charges 'Camping Grounds'

Internal procedures have now been updated to ensure that any future fees or charges raised after the Budget has been adopted will be advertised correctly by way of Local Public Notice, as required by s6.19 of the *Local Government Act 1995*.

## **STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996.

## **POLICY IMPLICATIONS**

None applicable.

## **FINANCIAL IMPLICATIONS**

None applicable.

## **STRATEGIC IMPLICATIONS**

None applicable.

## **VOTING REQUIREMENTS**

Simple.

## **STAFF RECOMMENDATION/ COUNCIL DECISION**

**MOVED: CR FORRESTER**

**SECONDED: CR COLLINGWOOD**

**That the Chief Executive Officer's Report on the explanation of and actions pertaining to Non Compliance Matters raised in the Final Audit Report for the year ended 30<sup>th</sup> June 2011 be received.**

**CARRIED**

**Voting 2/ 0**

**Minute Reference FAC 04/12 - 4**

<b>AGENDA ITEM:</b>	<b>6.5</b>
<b>SUBJECT:</b>	<b>APPOINTMENT OF AUDITOR</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>305.05</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>16<sup>th</sup> APRIL 2012</b>
<b>AUTHOR:</b>	<b>STUART BILLINGHAM</b>

## DISCLOSURE OF INTEREST

Nil

## BACKGROUND

The Shire of Chapman Valley's current Auditor's Contract with UHY Haines Norton has now been completed. The Shire of Chapman Valley in January 2012 (for a six (6) week period) through the Western Australian Local Government Association Procurement Services Portal of preferred suppliers, called for Quotations for the Provision of Audit Services to the Shire of Chapman Valley. The Shire received two notifications from Audit firms not wishing to quote and two quotes for the provision of Audit Services. These were received from AMD Chartered Accountants and UHY Haines Norton. (Please refer to Provision of Audit Services quotes submitted as separate attachments).

Firm	2011/12	2012/13	2013/14	2014/15	2015/16
<b>AMD</b>					
(a) Interim Audit	\$4,500	\$4,600	\$4,800	\$5,500	\$5,700
(b) Final Audit	\$10,000	\$10,400	\$10,900	\$11,100	\$11,600
Total excl GST	\$14,500	\$15,000	\$15,700	\$16,000	\$17,030
Total 5 years					<b>\$78,230</b>

Firm	2011/12	2012/13	2013/14	2014/15	2015/16
<b>UHY</b>					
Interim and Final Audit	\$15,000	\$16,000	\$17,000	\$18,000	\$19,000
Total excl GST	\$15,000	\$16,000	\$17,000	\$18,000	\$19,000
Total 5 years					<b>\$85,000</b>

## COMMENT

Section 7.3(1) of the *Local Government Act 1995* 'Appointment of Auditors' states:

*'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.'*

Section 7.6(1) of the *Local Government Act 1995* 'Term of Office of Auditor' states:

*'The appointment of a local government's auditor is to have effect in respect of the audit of the account and annual financial report of the local government for a term of not more than 5 years, but an auditor is eligible for re-appointment.'*

Notwithstanding UHY Haines Norton quote over five years is \$6,770 dearer than AMD, given their previous track record as the Shire Auditor and the familiarity with the Shire of Chapman Valley Operations it is supported to reappoint UHY Haines Norton for a further three (3) years with the option to extend for a further two (2) years.

## STATUTORY ENVIRONMENT

*Part 7 Local Government Act 1995 and the Local Government (Audit) Regulations 1996.*

**POLICY IMPLICATIONS**

None applicable.

**FINANCIAL IMPLICATIONS**

None applicable.

**STRATEGIC IMPLICATIONS**

None applicable.

**VOTING REQUIREMENTS**

Absolute Majority Vote Required

**STAFF RECOMMENDATION/ COUNCIL DECISION**

That the Finance & Audit Committee recommend to Council that it Appoints UHY Haines Norton as its Auditors for a period of Three (3) years with the option to extend the contract for a further Two (2) years.

**MOVED: CR COLLINGWOOD**

**SECONDED: CR FORRESTER**

**That the Finance & Audit Committee recommend on the explanation of and actions pertaining to Non Compliance Matters raised in the Final Audit Report for the year ended 30 June 2011 be received.**

**CARRIED**

**Voting 2/ 0**

**Minute Reference FAC 04/12 - 5**

**7.0 INFORMATION ITEMS**

Nil

**8.0 GENERAL BUSINESS**

Nil

**9.0 NEXT MEETING**

TBC after Interim Audit

**10.0 CLOSURE**

There being no further business, the Presiding member thanked all for attending and declared the meeting closed at 11.00am.

# **Chief Executive Officer February 2013**

---

## **Contents**

### **6.0 AGENDA ITEMS**

- 6.1 Management Report 30 June 2012
- 6.2 Audit Report 30 June 2012
- 6.3 Compliance Audit Report

**THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY**

AGENDA ITEM:	6.1
SUBJECT:	MANAGEMENT REPORT 30 JUNE 2012
PROPONENT:	FINANCE & AUDIT COMMITTEE
SITE:	COUNCIL CHAMBERS
FILE REFERENCE:	305.05
PREVIOUS REFERENCE:	N/A
DATE:	6 JANUARY 2013
AUTHOR:	STUART BILLINGHAM

## DISCLOSURE OF INTEREST

Nil

## BACKGROUND

The Shire of Chapman Valley has received the Management Report from its Auditors UHY Haines Norton. (Please refer to Management Report Letter submitted as **Attachment 1**).

The following Management Issues were raised:

### Management Report

- Quashing of Rates Raised

*“During our audit we noted the rates raised in accordance with the budget adopted on 17 August 2011 were quashed by the State Administrative Tribunal on 29 June 2012. The quashing of rates followed advice from the Department of Local Government on 23 November 2011 that the Shire had imposed a minimum payment on more than 50% of GRV rated land contrary to Section 6.35(4) of the Act.*

*Subsequent to the quashing of the rates Council re adopted the 2011/12 budget on 4 July 2012 to correct the original non-compliance and rate assessments (and ratepayer accounts) were adjusted accordingly.*

*To help ensure rates raised are in compliance with the Act and collection thereof is enforceable, the requirements of section 6.32, 6.33, 6.34 and 6.35 of the Act should be correctly addressed when adopting budgets in the future.”*

***To help ensure rates raised are in compliance with the Act and collection thereof is enforceable, the requirements of section 6.32, 6.33, 6.34 and 6.35 of the Act should be correctly addressed when adopting budgets in the future.***

- Rates Coverage Ratio

*“As disclosed in Note 18 to the financial statements, the rate coverage ratio as at 30 June 2012 was 29% compared to 35% at 30 June 2011 and 28% at 30 June 2010.*

*This ratio measures Council’s dependence on rate revenue to fund operations. The higher the ratio the higher the dependency on rates and less the dependency on government grants and other funding sources.*

*Typically shires of similar description to the Shire of Chapman Valley should operate in the 35% to 45% range (and even then can still experience difficulties depending on circumstances) It is important not to let this ratio slip backwards as that is an indication Council is becoming more reliant on external funding sources which are becoming less reliable.*

*Whilst the main reason for the negative trend in the 2011/12 financial year is the large increase in grants received, the 35% to 45 % range should be targeted in the medium to longer term.”*

- Revaluation of Roads Infrastructure Assets

*“Council has elected to maintain road assets carried at a previously revalued amount at the amount of that previous revaluation.*

*This is an accepted practice, however would take this opportunity to remind Council revaluations are to be made with sufficient regularity to ensure the carrying value of each asset does not differ materially from its fair value at each reporting date.*

*Given the last revaluation of Council's road infrastructure assets occurred in 2007, we would suggest fair values be reviewed in the forthcoming year (2012/13). This may require a review of the current system of recording road assets to ensure this information is readily obtainable."*

***Given the last revaluation of Council's road infrastructure assets occurred in 2007, we would suggest fair values be reviewed in the forthcoming year (2012/13). This may require a review of the current system of recording road assets to ensure this information is readily obtainable.***

## COMMENT

### Management Report

- Quashing of Rates Raised

The 2011/12 Annual Budget adopted by Council on the 17 August 2011 contained an error in the number of properties in the GRV Townsites that were placed on a minimum rate. The Shire had imposed a minimum payment on more than 50% of GRV rated land contrary to Section 6.35(4) of the Act.

The Department of Local Government compliance section took the non – compliance matter to the State Administrative Tribunal after State Solicitors Office advice after multiple Local Governments breached the provisions of the Local Government Act 1995. The State Administrative Tribunal on 29 June 2012 quashed the illegal rates to then permit the Shire to readopt the 2011/12 Budget. The quashing of rates followed a letter to the Shire of Chapman Valley from the Department of Local Government dated 23 November 2011.

This matter is now considered closed and resolved as Council readopted the 2011/12 Annual Budget on 4 July 2012 which remedied the non-compliance with the *Local Government Act 1995*. Internal processes and procedures have been reviewed, updated and amended where required to ensure the requirements of *section 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995* are complied with.

NB These abovementioned requirements were met for the 2012/13 Annual Budget adoption.

- Rate Coverage Ratio

As mentioned by the auditor this ratio provides an indication of Council's reliance on rate revenue to fund operations. Benchmarking for the Shire of Chapman Valley should be between 35%-45% range.

2010-28%

2011-35%

2012-29%

The higher the ratio the higher the dependency on rates and less the dependency on government grants and other funding sources.

The above figures show no trend upwards or downwards except are large fluctuation from year to year.

*To ensure this ratio does not reduce Council must ensure each budget it raises rates to its capacity.*

NB: This ratio is subject to fluctuation from yearly increases in grants such as Royalties for Region. The 2012/13 Annual report is expected to see this ratio slip backwards due to the size of the funds for the East Bowes Road Project Approx. \$1M.

- Revaluation of Roads Infrastructure Assets

In the 2011 Auditors Management Report the following was quoted:

*“To ensure compliance with Council's policy of revaluing roads with sufficient regularity to ensure fair value is correctly reflected, it is intended for the Shire to undertake a Revaluation of its Roads Infrastructure Assets. This will be undertaken by OPUS consultants using ROMANS 2 during 2012/13 year.”*

In the 2012 Auditors Management Report the following was quoted:

*“Council has elected to maintain road assets carried at a previously revalued amount at the amount of that previous revaluation.*

*This is an accepted practice, however would take this opportunity to remind Council revaluations are to be made with sufficient regularity to ensure the carrying value of each asset does not differ materially from its fair value at each reporting date.*

*Given the last revaluation of Council's road infrastructure assets occurred in 2007, we would suggest fair values be reviewed in the forthcoming year (2012/13). This may require a review of the current system of recording road assets to ensure this information is readily obtainable.”*

***Given the last revaluation of Council's road infrastructure assets occurred in 2007, we would suggest fair values be reviewed in the forthcoming year (2012/13). This may require a review of the current system of recording road assets to ensure this information is readily obtainable.***

The Shire of Chapman Valley has previously relied on external contractors to carry out this revaluation of Road infrastructure by Companies such as OPUS and Green Fields Technical. The contractors have previously used the ROMANS software to measure and assist in the revaluation. ROMANS is controlled by WALGA and ROMANS 2 is now in operation.

It is the new ROMANS 2 Program that is not calculating road values correctly that has prevented the Shire of Chapman Valley undertaking the revaluation in the 2011/12 year. It is anticipated that WALGA will resolve the valuation issues in the 2012/13 year to permit the Shire of Chapman Valley to undertake the Revaluation of its road infrastructure.

## **STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996.

## **POLICY IMPLICATIONS**

None applicable.

## **FINANCIAL IMPLICATIONS**

None applicable.

## **STRATEGIC IMPLICATIONS**

None applicable.

## **VOTING REQUIREMENTS**

Simple.

## **STAFF RECOMMENDATION**

That the Finance and Audit Committee Recommends to Council:

That the Chief Executive Officers report dated 6 January 2013 be received and it be noted that there are no actions required out of the report.



6 December 2012

Cr J Collingwood  
The Shire President  
Shire of Chapman Valley  
PO Box 1  
NABAWA WA 6532

Dear Cr Collingwood

#### MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2012

We advise that we have completed our audit procedures for the year ended 30 June 2012 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.

#### Quashing of Rates Raised

During our audit we noted the rates raised in accordance with the budget adopted on 17 August 2011 were quashed by the State Administrative Tribunal on 29 June 2012. The quashing of rates followed advice from the Department of Local Government on 23 November 2011 that the Shire had imposed a minimum payment on more than 50% of GRV rated land contrary to Section 6.35(4) of the Act.

Subsequent to the quashing of the rates Council re-adopted the 2011/12 budget on 4 July 2012 to correct the original non-compliance and rate assessments (and ratepayer accounts) were adjusted accordingly.

To help ensure rates raised are in compliance with the Act and collection thereof is enforceable, the requirements of Sections 6.32, 6.33, 6.34 and 6.35 of the Act should be correctly addressed when adopting budgets in the future.

t: +61 (0)8 9444 3400  
f: +61 (0)8 9444 3430

16 Lakeside Corporate 24 Parkland Road Osborne Park Perth WA 6017  
PO Box 1707 Osborne Park WA 6916

e: perth@uhyhn.com.au  
w: www.uhyhn.com

An association of independent firms in Australia and New Zealand and a member of UHY International, a network of independent accounting and consulting firms.

UHY Haines Norton - ABN 87 345 233 205  
Liability limited by a scheme approved under Professional Standards Legislation

**Rate Coverage Ratio**

As disclosed in Note 18 to the financial statements, the rate coverage ratio as at 30 June 2012 was 29% compared to 35% at 30 June 2011 and 28% at 30 June 2010.

This ratio measures Council's dependence on rate revenue to fund operations. The higher the ratio the higher the dependency on rates and the less the dependency on government grants and other funding sources.

Typically, Shire's of similar description to the Shire of Chapman Valley should operate in the 35% to 45% range (and even then can still experience difficulties depending on circumstances). It is important not to let this ratio slip backwards as that is an indication Council is becoming more reliant on external funding sources which are becoming less reliable.

Whilst the main reason for the negative trend in the 2011/12 financial year is the large increase in grants received, the 35% to 45% range should be targeted in the medium to longer term.

**Revaluation of Road Infrastructure Assets**

Council has elected to maintain road assets carried at a previously revalued amount at the amount of that previous valuation.

This is an accepted practice, however, we would take this opportunity to remind Council revaluations are to be made with sufficient regularity to ensure the carrying value of each asset does not differ materially from its fair value at each reporting date.

Given the last revaluation of Council's road infrastructure assets occurred in 2007, we would suggest fair values be reviewed in the forthcoming financial year (2012/13). This may require a review of the current system of recording road assets to ensure this information is readily obtainable.

This will help ensure Council complies with the requirement of the standard and its assets are fairly stated.

There were no other matters we wish to bring to your attention.

**Uncorrected Misstatements**

We advise there were no uncorrected misstatements noted during the course of our audit.

We take this opportunity to thank the Chief Executive Officer, the manager of finance & administration 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

Encl

<b>AGENDA ITEM:</b>	<b>6.2</b>
<b>SUBJECT:</b>	<b>AUDIT REPORT 30 JUNE 2012</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>403.05 &amp; 305.12</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>6 FEBRUARY 2013</b>
<b>AUTHOR:</b>	<b>STUART BILLINGHAM</b>

## DISCLOSURE OF INTEREST

Nil

## BACKGROUND

The Shire of Chapman Valley has received the Final Audit Report from its Auditors UHY Haines Norton. (Please refer to Final Audit Report submitted as **Attachment 2**).

The following Other Legal and Regulatory Requirements were raised:

### Audit Report

- Differential Rates

A UV differential rate of more than twice the lowest differential general rate was imposed without the approval of the Minister as required under Section 6.33(3) of the Local Government Act 1995 (as amended).

- Minimum Rates

The Shire imposed a minimum payment on more than 50 percent of GRV rated land contrary to Section 6.35(4) of the Local Government Act 1995 (as amended).

- Local Public Notice on Differential Rates

No local public notice was given prior to adopting differential rates as required by Section 65.36(3)(a), Section 6.36(3)(a)(ii) and Section 6.36(3)(c) of the Local Government Act 1995 (as amended).

## COMMENT

### Audit Report

- Differential Rates

Internal procedures have now been updated to ensure that the Shire Officers apply to the Minister for Local Government seeking approval in advance before any future differential rates proposed to be raised in the Annual Budget that are more than twice the lowest general rate are imposed. This ministerial permission was sought and granted in the 2012/13 Annual Budget for the Shire of Chapman Valley.

- Minimum Rates

This matter was dealt with by the WA State Administrative Committee (SAT) on the 29 June 2012 quashing the GRV rates raised incorrectly for 2011/2012 financial year.

Council at its Special Council Meeting on the 4 July 2012 readopted a new 2011/12 Budget to resolve this matter. Affected GRV Ratepayers were provided a credit on their 2012/13 Rates Notice.

- Local Public Notice on Differential Rates

Internal procedures have now been updated to ensure that any future Differential Rates will be advertised correctly by way of Local Public Notice, as required by Section 65.36(3)(a), Section 6.36(3)(a)(ii) and Section 6.36(3)(c) of the Local Government Act 1995 (as amended).

**STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996.

**POLICY IMPLICATIONS**

Nil.

**FINANCIAL IMPLICATIONS**

Nil.

**STRATEGIC IMPLICATIONS**

Nil.

**VOTING REQUIREMENTS**

Simple.

**STAFF RECOMMENDATION**

That the Finance and Audit Committee Recommends to Council:

That the report of the Chief Executive Officer dated 6 January 2013 on the Auditors Report be received and it be noted there are no further actions required from the report.



**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF CHAPMAN VALLEY**

***Report on the Financial Report***

We have audited the accompanying financial report of the Shire of Chapman Valley, which comprises the statement of financial position as at 30 June 2012, 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 management 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 Shire'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 Shire'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 Chapman Valley 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 2012 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).

55

t: +61 (0)8 9444 3400  
f: +61 (0)8 9444 3430

16 Lakeside Corporate 24 Parkland Road Osborne Park Perth WA 6017  
PO Box 1707 Osborne Park WA 6916

e: perth@uhyhn.com.au  
w: www.uhyhn.com

An association of independent firms in Australia and New Zealand and a member of UHY International, a network of independent accounting and consulting firms.

UHY Haines Norton - ABN 87 345 233 205

Liability limited by a scheme approved under Professional Standards Legislation

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF CHAPMAN VALLEY (Continued)**

***Report on Other Legal and Regulatory Requirements***

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended).

**Differential Rates**

A UV differential general rate of more than twice the lowest differential general rate was imposed without the approval of the Minister as required under Section 6.33(3) of the Local Government Act 1995 (as amended).

**Minimum Rates**

The Shire imposed a minimum payment on more than 50 per cent of GRV rated land contrary to Section 6.35(4) of the Local Government Act 1995 (as amended).

**Local Public Notice on Differential Rates**

No local public notice was given prior to adopting differential rates as required by Section 6.36(3)(a), Section 6.36(3)(a)(ii) and Section 6.36(3)(c) of the Local Government Act 1995 (as amended).

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

- a) There are no 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) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.



UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Date: 6 December 2012  
Perth, WA

<b>AGENDA ITEM:</b>	<b>6.3</b>
<b>SUBJECT:</b>	<b>COMPLIANCE AUDIT RETURN</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>403.05 &amp; 305.12</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>6 FEBRUARY 2013</b>
<b>AUTHOR:</b>	<b>STUART BILLINGHAM</b>

#### **DISCLOSURE OF INTEREST**

Nil

#### **REPORT PURPOSE**

To present the 2012 Compliance Audit Report to the Audit Committee first then Council for adoption, and then forward a certified copy to the Department of Local Government.

#### **BACKGROUND**

Every Local Government Authority in Western Australia is required to complete the Compliance Audit Return (CAR) each year. This year the CAR has been reduced substantially, with many of the questions deleted that were also subject to inspection by Council Auditors.

#### **COMMENT**

A Draft copy of the Shire of Chapman Valley 2012 Compliance Audit Return has been provided to Councillors as an ***Attachment 3***.

#### **STATUTORY ENVIRONMENT**

Local Government Act 1995

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

Nil

#### **STRATEGIC IMPLICATIONS**

Nil

#### **VOTING REQUIRMENTS**

Simple Majority

#### **STAFF RECOMMENDATION**

That the Finance and Audit Committee Recommends to Council that:

- The 2012 Compliance Audit Return be signed by the CEO and Shire President
- The 2012 Compliance Audit Return be received and recorded in the minutes of Council
- The 2012 Compliance Audit Return be submitted to the Department of Local Government.



Government of **Western Australia**  
Department of **Local Government**

Our Ref: 1383-02 E1229855

TO ALL LOCAL GOVERNMENTS

CIRCULAR N<sup>o</sup> 34-2012

### **2012 COMPLIANCE AUDIT RETURN FOR LOCAL GOVERNMENTS**

The 2012 Compliance Audit Return (CAR) for Local Governments is now available on the Department's website.

Each local government is required to carry out a compliance audit in relation to the period 1 January 2012 to 31 December 2012 against the requirements set out in the 2012 CAR.

The 2012 CAR continues in the reduced format introduced in 2011, with the areas of compliance restricted to those considered high risk.

Further complementary changes to the *Local Government (Audit) Regulations 1996* are proposed in order to expand the current role of local government audit committees. It is proposed the audit committees' role will be extended to encompass a review of areas such as risk management, internal control and legislative compliance. Information related to these changes will be provided in the near future.

The proposed associated transfer of responsibilities to the Audit Committee of each local government will enable them to better manage legislative compliance within their own timeframes, with increased transparency and involvement for elected members. However, the requirement for local governments to comply with relevant legislation will not change.

Please note that regulation 14 of the *Local Government (Audit) Regulations 1996* requires the local government's Audit Committee to review the CAR and report the results to the Council, prior to the CAR's adoption by Council and submission to the Department by 31 March 2013.

Attached is an explanatory document to assist in completion and submission of the 2012 CAR, which is a process local governments need to follow.

Your co-operation in ensuring that completed and certified returns are submitted both electronically and in hard copy is appreciated. By submitting the CAR electronically the Department is able to provide timely feedback to local governments.

Gordon Stephenson House  
140 William Street Perth WA 6005  
GPO Box R1250 Perth WA 6844  
Tel: (08) 6552 1500 Fax: (08) 6552 1555 Freecall: 1800 620 511 (Country only)  
E-mail: [info@dlg.wa.gov.au](mailto:info@dlg.wa.gov.au) Website: [www.dlg.wa.gov.au](http://www.dlg.wa.gov.au)  
wa.gov.au

2012.01.01

Should you require any further information, please contact Andrew Borrett on (08) 6552 1532 or [andrew.borrett@dlg.wa.gov.au](mailto:andrew.borrett@dlg.wa.gov.au). For questions related to electronic submission of the CAR please contact Meena Khokhar on (08) 6552 1530 or [meena.khokhar@dlg.wa.gov.au](mailto:meena.khokhar@dlg.wa.gov.au).



Jennifer Mathews  
DIRECTOR GENERAL

19 December 2012



## Chapman Valley - Compliance Audit Return 2012

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 2012.	N/A		Stuart Billingham
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 2012.	N/A		Stuart Billingham
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 2012.	N/A		Stuart Billingham
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 2012.	N/A		Stuart Billingham
5	s3.59(5)	Did the Council, during 2012, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Stuart Billingham



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		Stuart Billingham
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Stuart Billingham
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Stuart Billingham
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Stuart Billingham
5	s5.18	Has Council reviewed delegations to its committees in the 2011/2012 financial year.	Yes		Stuart Billingham
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		Stuart Billingham
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Stuart Billingham
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Stuart Billingham
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Stuart Billingham
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Stuart Billingham
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Stuart Billingham
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 2011/2012 financial year.	Yes		Stuart Billingham
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		Stuart Billingham

  

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		Stuart Billingham
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		Stuart Billingham



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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2012.	Yes		Stuart Billingham
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2012.	Yes		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham



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		Stuart Billingham
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Stuart Billingham

**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		Stuart Billingham
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		Stuart Billingham

**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		Stuart Billingham

**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		Stuart Billingham
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		Stuart Billingham
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Stuart Billingham
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Stuart Billingham
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		Stuart Billingham



No	Reference	Question	Response	Comments	Respondent
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2012 received by the local government within 30 days of completion of the audit.	Yes		Stuart Billingham
7	s7.9(1)	Was the Auditor's report for 2011/2012 received by the local government by 31 December 2012.	Yes		Stuart Billingham
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.	Yes		Stuart Billingham
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.	Yes		Stuart Billingham
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.	Yes		Stuart Billingham
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Stuart Billingham
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Stuart Billingham
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham



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.	Yes		Stuart Billingham
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		Stuart Billingham
3	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Stuart Billingham
4	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).	Yes		Stuart Billingham
5	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).	Yes		Stuart Billingham

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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham



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		Stuart Billingham
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		Stuart Billingham
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Stuart Billingham
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		Stuart Billingham
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.	N/A		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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.	Yes		Stuart Billingham



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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham
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		Stuart Billingham