

# **ATTACHMENT NO. 1**



## Bassendean - Compliance Audit Return 2018

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries 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 2018.	N/A		ken lapham
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 2018.	N/A		ken lapham
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 2018.	N/A		ken lapham
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 2018.	N/A		ken lapham
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		ken lapham



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		ken lapham	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		ken lapham	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		ken lapham	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		ken lapham	
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes	Delegations were provided to Council meeting In October 2018	ken lapham	
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		ken lapham	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		ken lapham	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		ken lapham	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		ken lapham	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		ken lapham	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		ken lapham	
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 2017/2018 financial year.	Yes	Delegations were reviewed in October 2018, Council adopted at its meeting on 23/10/2018	ken lapham	
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		ken lapham	

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		ken lapham	



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No	Reference	Question	Response	Comments	Respondent
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		ken lapham
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham



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

### 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)).	N/A		ken lapham
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.	N/A		ken lapham

### 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		ken lapham
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		ken lapham
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		ken lapham
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		ken lapham
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes		ken lapham



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No	Reference	Question	Response	Comments	Respondent
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes	Adopted by Council 27/11/18	ken lapham
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	There were no matters raised	ken lapham
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		ken lapham
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		ken lapham
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		ken lapham
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		ken lapham
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		ken lapham
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		ken lapham
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		ken lapham
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	N/A	This review is due for completion by the end of 2019.	ken lapham
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A	This review is due for completion by the end of 2019.	ken lapham



<b>Integrated Planning and Reporting</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Council 24/7/2018	ken lapham	
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A		ken lapham	
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted Strategic Community Plan in MAY 2017	ken lapham	
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A		ken lapham	
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted in May 2018	ken lapham	
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A	Last Adopted April 2017	ken lapham	
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted by Council June 2018	ken lapham	



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



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		ken lapham	
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		ken lapham	
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		ken lapham	
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		ken lapham	
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		ken lapham	
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		ken lapham	

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		ken lapham	
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.	N/A		ken lapham	
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		ken lapham	
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		ken lapham	



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No	Reference	Question	Response	Comments	Respondent
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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.	N/A		ken lapham
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		ken lapham
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.	N/A		ken lapham
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.	N/A		ken lapham
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		ken lapham
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		ken lapham



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No	Reference	Question	Response	Comments	Respondent
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		ken lapham
18	F&G Reg 24AD(6)	If the local government 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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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		ken lapham
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).	N/A		ken lapham
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		ken lapham
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		ken lapham



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

\_\_\_\_\_  
Signed Mayor / President, Bassendean

\_\_\_\_\_  
Signed CEO, Bassendean

# **ATTACHMENT NO. 2**

Proposal for the provision of:  
Audit Regulation 17  
Risk Management Review

**Town of Bassendean**

**March 2019**

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# Why Appoint Moore Stephens

Our proposal will demonstrate Moore Stephens can meet the needs of the Town of Bassendean.

This proposal will outline the following reasons why you should appoint Moore Stephens:

<b>An experienced team</b>	Our team have an in-depth understanding of the local government industry and in particular all the relevant requirements with respect to the Audit Regulation 17 Risk Management Review.
<b>We are familiar with your Town</b>	We have a proven capacity to work with your organisation to achieve outcomes and meet deadlines.
<b>An integrated service</b>	We have an excellent track record of delivering high quality services to local government throughout Western Australia. By using a carefully selected service team who are used to working together on similar assignments, we will ensure you experience a completely integrated service.
	Our service is not just compliance focused. We seek to work with you to help add value across all facets of your Town.
<b>Relevant experience</b>	Our nominated resource has hands-on risk management experience and an extensive background in internal audit and compliance. This will provide the Town with insight into industry risk practices and norms for benchmarking against similar sized organisations.
<b>Accessible partners and staff</b>	All our engagements have a high level of partner and senior staff involvement. This increased accessibility means we are able to develop a detailed understanding of your Town to deliver a practical, value for money review.
<b>The right reputation</b>	Tradition and integrity combined with thoughtful innovation means Moore Stephens will reflect and support the reputation and credibility of your local government.

We trust our proposal will contain all the information you require at this stage. You would continue to be an important client for Moore Stephens, and we look forward to discussing your requirements further.

THIS YEAR 32.8876  
42.9841

# RISK MANA



A bar chart with four bars of increasing height from left to right. The bars are black, with the fourth bar being a darker shade of blue. Below the bars is a table with three rows: COMPLETED, RECURRING, and PENDING, each with a numerical value and an upward or downward arrow.

Category	Value	Direction
COMPLETED	+86.054	↑
RECURRING	-6.230	↓
PENDING	+23.432	↑

First quarter  
Jan-Mar

Seco  
Apr-J



## Scope and Deliverables

### Audit Regulation 17

Audit Regulation 17 requires the CEO to review the appropriateness and effectiveness of their risk management, internal controls and legislative compliance procedures at least once every three calendar years. The results of the review are to be reported by the CEO to the Audit Committee. The Audit Committee is required to review the CEO's report and then report to the Council. The report from the Audit Committee to the Council is required to have attached a copy of the CEO's report to the Audit Committee.

We understand the Town seeks the following services:

- A high-level review of the risk management systems policies, procedures and plans in place at the Town;
- Evaluate the financial internal control systems and procedures at the Town;
- Evaluate the operational internal control systems and procedures at the Town;
- Assess systems and processes for maintaining legislative compliance;
- Develop a 'gap analysis' of any improvements identified during the review; and
- Prepare a report of matters identified during the review to assist the Chief Executive Officer to assess the appropriateness and effectiveness of the relevant systems and procedures in accordance with Local Government Audit Regulation 17.

We view the review as more than a compliance exercise and seek to identify sound practices and confirm their effectiveness as well as offer practical assistance to rectify any weaknesses identified.

## Review Methodology

To undertake this work, we would apply the following methodology:

- Conduct onsite interviews with key personnel involved in risk management, financial management and ensuring Town adherence to legislative compliance;
- Identify the extent of commitment and mandate to Risk Management principles (using AS/NZS ISO 31000:2018 as the framework) within the overall risk management framework;
- Review each component (risk management, legislative compliance and internal controls) after considering the overall governance structure and internal control environment);
- Assess the degree of monitoring activities and their effectiveness for a sound internal control environment and adherence to legislative requirements;
- Assess the gaps (if any) between the current processes and the expected key internal controls and recommend suggested improvements; and
- Report on the appropriateness and where possible, the effectiveness of current systems and procedures.

## Review Methodology (continued)

Our procedures would encompass the following areas (but not necessarily be limited to):

<b>Risk Management</b>
Existence and effectiveness of the risk management system
Currency and effectiveness of the Shire's Business Continuity Plan
Process for determining and managing material operating risk
Occurrence of regular risk reports
Adequacy of processes to manage insurable risk
Adequacy of controls in place to deal with unusual or complex high risk transactions
The Town's procurement framework with a focus on probity and transparency
Treatment plan for fraud and misconduct risks
Overall monitoring, reporting and communication surrounding risk management

<b>Internal Controls</b>
Delegation of authority (completeness and adherence)
Adequacy of segregation of duties for key roles with financial impact
Adequacy of documented policies and procedures
Effectiveness of policy and process reviews
Adequacy of access security to key Town IT systems
Adequacy of key internal controls will be tested via walkthroughs with relevant staff

<b>Legislative Compliance</b>
Current measures to monitor and capture legislative compliance
Ability of the Town to stay informed regarding legislative changes
Management of information and data
Procedures for receiving, retaining and treating complaints

A detailed report of our findings, including our improvement suggestions, will be provided following the completion of all our procedures and resolution of any queries which may result.

One thing to note is in relation to the specifics of our approach. Its primary focus is one of review to assess the appropriateness and effectiveness of risk management, internal controls and legislative compliance.

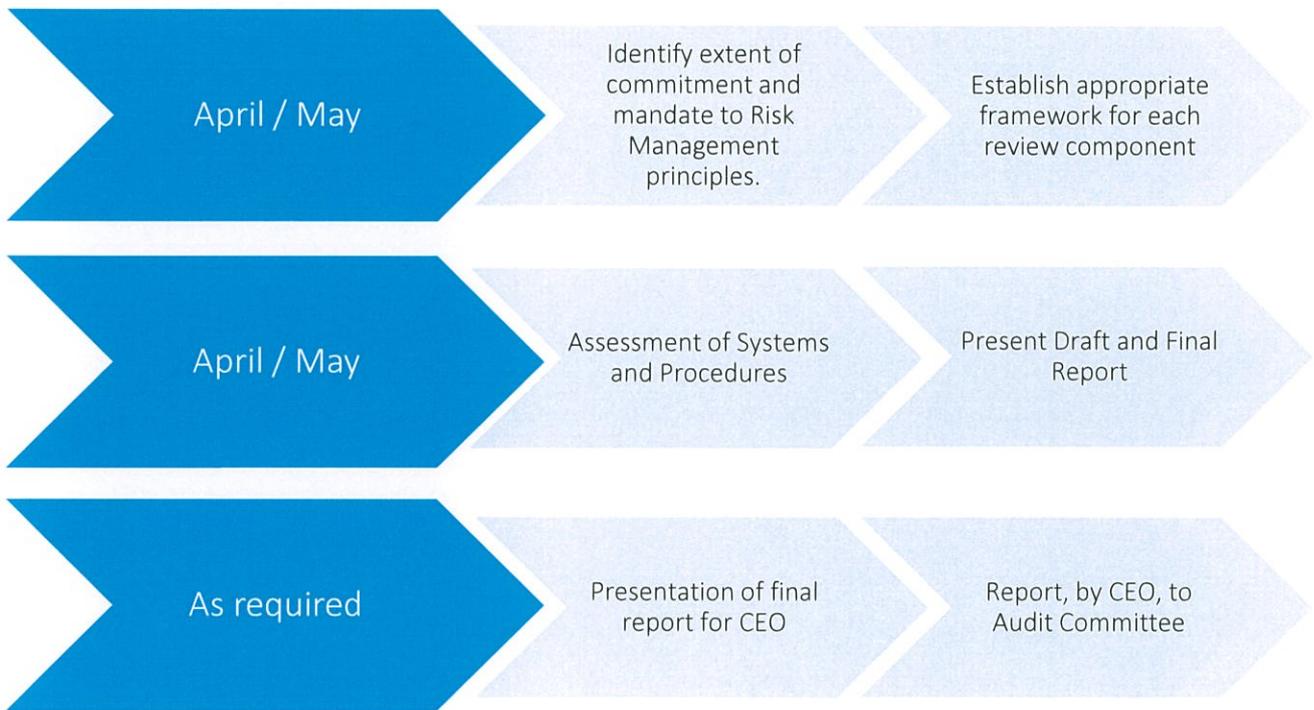
Our report will comment as such, as well as highlighting any areas requiring improvement we note during the course of our review.

# Timing

We can arrange the timing to fit your circumstances.

The timing of the onsite component of the engagement will be heavily dependent on access to Senior Staff. In addition, we can commence work on the engagement prior to the onsite component once provided with the appropriate documentation such as the Town’s relevant policies and procedures.

We propose the following indicative timing:



## Relevant Experience

### Audit Regulation 17 Reviews

Over the course of the past 3 years we have conducted Audit Regulation 17 reviews for the following local governments (items in bold conducted by our Manager, Risk Advisory Services):

Shire of Ashburton	<b>City of Kwinana</b>	<b>Shire of Coolgardie</b>
Shire of Broome	<b>Shire of Laverton</b>	Shire of Victoria Plains
Shire of Christmas Island	<b>Shire of Kellerberin</b>	<b>Shire of Wiluna</b>
Shire of Coorow	Town of Port Hedland	<b>Shire of Wyndham-East Kimberley</b>
Shire of East Pilbara	Shire of Serpentine-Jarrahdale	Shire of York
<b>Shire of Katanning</b>	Shire of Shark Bay	

During this time, we have developed a unique methodology in relation to these Reviews which is based on our extensive local government knowledge and experience.

### Financial Management Reviews

In the course of the past years we have also provided detailed Financial Management Review services to the majority of our clients and other local governments state-wide.

In all, since the year 2000, we have performed approximately 200 Financial Management Reviews to various local governments in both the metropolitan and regional areas.

Financial Management Reviews undertaken since the beginning of 2016 number thirty-nine (39) and are as follows:

City of Albany	Shire of Corrigin	Shire of Morawa
City of Armadale	Town of Cottesloe	Shire of Mount Marshall
Shire of Ashburton	Shire of Derby-West Kimberley	Shire of Northam
Shire of Brookton	Shire of Dumbleyung	Shire of Northampton
Shire of Broome	Shire of East Pilbara	Shire of Serpentine-Jarrahdale
Shire of Chapman Valley	City of Fremantle	Shire of Shark Bay
Shire of Chittering	Shire of Halls Creek	<b>City of Stirling</b>
Shire of Carnarvon	City of Kalgoorlie – Boulder	Shire of Three Springs
Shire of Christmas Island	Shire of Katanning	Town of Victoria Park
Town of Claremont	Shire of Kellerberrin	Shire of Westonia
Shire of Cocos (Keeling) Islands	City of Kwinana	Shire of Wongan Ballidu
Shire of Coolgardie	Shire of Lake Grace	Shire of Woodanilling
Shire of Coorow	City of Melville	Shire of Yilgarn
		Shire of York

## Relevant Experience (continued)

### Internal Audit Services

Specific Internal Audit experience, is detailed as follows:

City of Albany	Internal Audit - 2013 to present
Town of Bassendean	Internal Audit - 2013 to present End to End Review of Procurement Processes 2017 Revenue & Fees April 2018
City of Bayswater	Receipting Systems and Processes 2015 Cash Handling Procedures 2015
City of Cockburn	Activity Based Costing Review Fuel Management Process
City of Joondalup	City Festivals
<b>City of Nedlands</b>	Internal Audit (2018 – 2021)
Town of Port Hedland	Tender probity reviews 2010 and 2011 Selected Procurement Events Review 2016
City of Rockingham	Metering of Utilities Usage 2008
City of Stirling	Asset Management Review 2008, 2012 & 2016
City of Vincent	Internal Audit - 2013 to 2017
Shire of Wyndham-East Kimberley	Key Transaction Cycles Process Review 2015

This experience further assists us understand the Risk Management environment within local government.

## Relevant Experience (continued)

### Other Local Government Services and Involvement

Over the past twenty years, we have also conducted an annual workshop, which in 2016 was attended by over one hundred (100) local governments from all over Western Australia. These workshops have addressed the Annual Financial Report, Budget, accounting standards, the mandating of fair value, infrastructure assets, cashflow statements, ratio analysis, sustainability and various other topical accounting issues.

We have developed a model financial report and model budget which address all relevant disclosure requirements and attempt to establish a consistent guideline for local governments to follow. These reports are updated annually as disclosure requirements are amended. Each year, the model is purchased by in excess of one hundred and twenty (120) authorities state-wide.

In 1999, we developed a strategy to assist local government with the implementation of GST and the firm has a dedicated tax task force to assist Councils in the complex areas of GST and FBT.

We are also the long serving contract provider for WALGA's tax service.

In addition to audit, since November 1999 we have provided a remote accounting service to many regional remote local governments, and extensive assistance to local government in the following areas during the past ten years.

- Financial Report preparation
- Statutory Compliance Audits
- Infrastructure Assets advice
- Fair Value implementation
- Budget Conversion and Assistance
- Ratio Interpretation Assistance
- GST & FBT Advice
- Long Term Financial Plans
- Strategic Plans
- Corporate Business Plans
- Workforce Plans
- Asset Management Plans

We are a subscriber member of Local Government Professionals Australia WA and an active participant in events. In 2014, we became a Foundation Partner of Local Government Professionals Australian WA (formerly known as LGMA WA) having previously been a Principal Partner since the beginning of 2008 and a major sponsor of the annual conference since 2000 as well as other regional conferences and sporting events.

## Relevant Experience (continued)

### Other audit experience

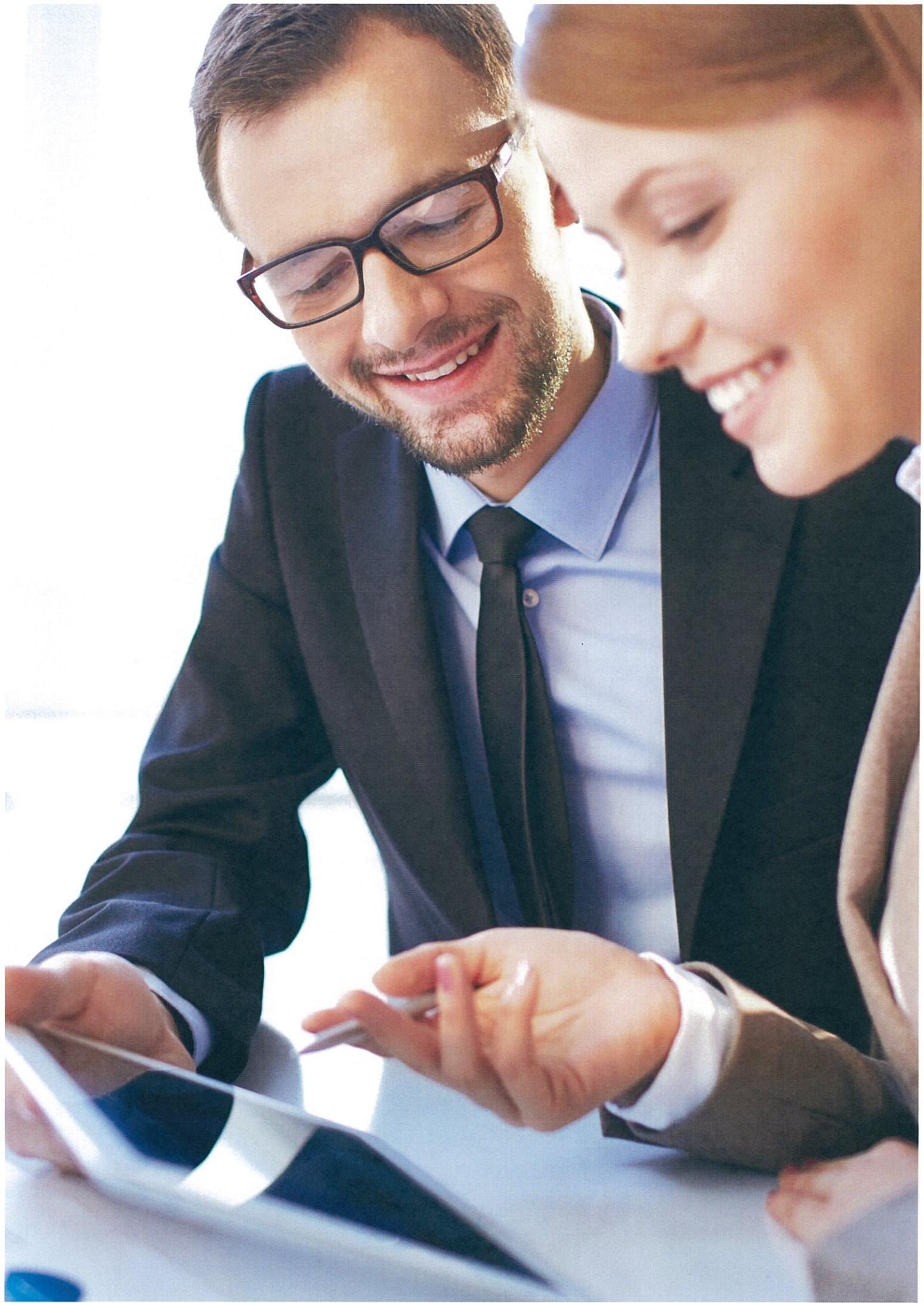
Separate to our local government experience, we have a significant number of audit engagements in the following categories:

- Listed Entities
- Other Public Entities
- Large Private Companies
- Foreign Amount Companies
- Indigenous Organisations
- Significant Not-For-Profit Organisations

Our base of audit clients and our experience in commercial enterprises gives us exposure to contemporary approaches in:

- Management processes;
- Governance Frameworks;
- Data collection;
- Key financial transaction cycles and systems;
- Business risks;
- Infrastructure asset recording and management; and
- Labour force management.

We offer the benefit of this exposure in our audit of systems and policies and deliver these benefits as part of our core service.



## Fee Estimate

Our indicative fee estimate for undertaking the engagement is in accordance with our understanding of the scope of service as outlined in this document.

Outlined below are our proposed fee estimates for the Town of Bassendean	Indicative Fee (ex GST) \$
Audit Regulation 17 Review	\$16,000

Our fee estimate includes one onsite visit following the initial information gathering exercise has been performed from our office.

Our fee estimate is valid for 60 days from the date of our response. Billing for our services would be made upon completion of our engagement in accordance with our normal business terms and conditions.

### Additional work – Risk Workshop

A Risk Workshop can be added to this engagement as follows:

Workshop outline	Fee Estimate (ex GST) \$
Executive Team <ul style="list-style-type: none"> <li>• ISO 31000:2018 Risk Management Framework</li> <li>• Round table discussion of risks; the facilitation is designed to promote discussion of risks / issues facing the Town</li> <li>• Facilitator to capture risk discussions for input into Town 'Risk Register' as starting point; focus to be on strategic risks</li> </ul>	1,500
Operational Management <ul style="list-style-type: none"> <li>• Similar format to above;</li> <li>• Greater focus on understanding different categories of risk i.e. operational, inherent, emerging and strategic risks.</li> <li>• Discussion will be around operational risks; objective is to identify and risk assess top 8 - 10 operational risks for capture in 'Town Risk Register'</li> </ul>	1,500
A 'risk register' template will be provided to Town as part of the workshop so that the risk management process can be maintained by the Town staff.	
<b>TOTAL WORKSHOP FEE</b>	<b>\$3,000</b>

### Fee assumptions and inclusions

In the preparation of our fee estimate, we have made the following assumptions:

- Our fee has been estimated based on a completion date prior to 30 June 2019;
- Includes attendance at Audit & Governance Meeting; and
- The Town of Bassendean will permit access to source information relevant to undertaking the review in a timely manner.

### Fee exclusions

Our fee estimate excludes reasonable out-of-pocket costs e.g. mileage and goods and service tax.

## Key Personnel

### The Right People

Our philosophy when working with you will be to ensure that your needs are our priority, and it is this principle which will form the basis of our relationship.

Moore Stephens is a people-focused business and client relationships are partner-led. Each member of the core team will have sufficient knowledge of Local Government to provide you with the support you require.

Including Partners (which currently number 16 providing professional services), we have a team of 40 experienced full-time audit and 32 experienced full time tax professionals so are adequately resourced to meet and cater for your needs.

### Key Personnel

PERSONNEL	ROLE	QUALIFICATIONS	EXPERIENCE
Anne Cheng	Manager	Bachelor of Arts Certified Internal Auditor	Over 25 years internal audit compliance and risk management experience
David Tomasi	Relationship Director	Bachelor of Commerce Chartered Accountant (Fellow) Registered Company Auditor Registered Tax Agent Registered Co-operative Company Auditor Registered Self-Managed Superannuation Fund Auditor	Extensive local government audit and advisory experience since 1990

**Anne Cheng** (Manager, Risk Advisory ) will be responsible for conducting the Audit Regulation 17 review.

**Anne** has had significant experience with the development, design and implementation of internal audit frameworks, and will assume day to day responsibility for the direction of the engagement.

All additional team members assigned to your engagement will be drawn from our extensive team and will have appropriate experience.

Please see following pages for further details of the key personnel involved with this engagement. This team will work closely on the engagement to ensure that our services are conducted as smoothly as possible and to the timetable

## Key Personnel (continued)

# Anne Cheng

## Risk Advisory Manager



### Relevant experience:

- Internal Audit professional with over 25 years' internal audit compliance and risk management experience.
- Broad exposure to a variety of industries and business environments including:
  - Education;
  - Financial;
  - Local Government;
  - Mining and Resources; and
  - Oil and Gas
- Proven ability to drive compliance and corporate governance.
- Performed a number of **Audit Regulation 17** engagements for our local government clients.
- Significant experience developing, designing and implementing risk management, compliance, governance and internal audit frameworks.
- Specific Sarbannes-Oxley (SOX) experience and responsible for obtaining section 302 and 404 certification.

### Papers Presented:

- Anne has presented many papers and conducted specific training workshops including:

*Compliance and Governance Frameworks; Design and implementation of Internal Audit Frameworks; Risk Management; and SOX Certification*

**Anne's specific risk management and compliance audit knowledge and experience helps us to provide a quality audit service.**

### Role:

- Risk Management and Compliance Manager

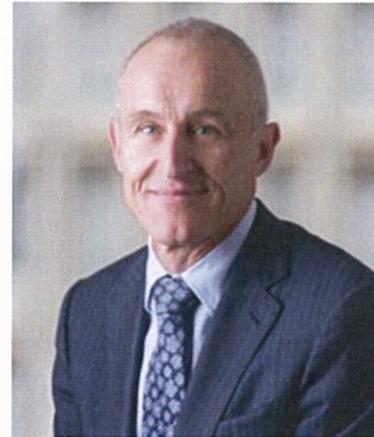
### Qualifications:

- Bachelor of Arts (University of British Columbia)
- Certified Internal Auditor (CIA)

## Key Personnel (continued)

# David Tomasi

## Relationship Director



### Relevant experience:

- Commenced his career as an Auditor in 1986.
- Broad range of experience across all industry sectors including five years with a “big 4” accounting firm and twelve months in the UK.
- Extensive local government experience since 1990, including development of the firm’s local government external and internal methodology and approach, and engagement partner on a significant number of our local government clients spanning three decades.
- **Significant experience with Audit Regulation 17 reviews.**
- Developed the firm’s methodology in relation to Financial Management Reviews and has been involved in a large majority of them since 2000.
- Facilitated Strategic Plans at two local government authorities.
- Involved in numerous special investigations and consulting engagements.
- Presented at the firm’s workshops (since inception in 1995).
- Previously a member of the DLGRD’s Financial Reporting Working Party, which, amongst other things, was charged with the review of the Financial Management Regulations to ensure consistency with recent changes to Australian Accounting Standards (AIFRSs) and providing guidance on other financial reporting matters.

### Industry Papers Presented:

David has presented many Papers covering industry specific matters, including:

*Asset Management, Cash Flow Statements, Local Government Audit and Accounting, IFRS, Fair Value, Reporting, ROMAN II Cloud Computing, Cyber Security and Electronic Payment Risks.*

**David brings the necessary local government experience, expertise and knowledge to help ensure an efficient, effective and value for money service.**

### Role:

- Partner, Audit and Local Government Advisory Divisions
- Quality Control Leader
- Engagement Partner (including Local Government Audit and Consulting engagements)

### Qualifications:

- Bachelor of Commerce (UWA)
- Chartered Accountant (Fellow)
- Registered Company Auditor
- Registered Tax Agent
- Registered Co-operative Company Auditor
- Registered Self-Managed Superannuation Fund Auditor

## Quality

The firm takes a three-tiered approach to quality assurance:

- Project Specification;
- Staff Selection; and
- Quality Reviews.

All review projects are designed and documented before commencement to ensure the objectives of our client are specifically addressed and our methodology is understood. The document is approved prior to commencement of fieldwork.

The Partners and senior staff have had extensive experience in Local Government and provision of advisory services. Partners and staff attend ongoing in-house staff training, national and international conferences and commercially run seminars.

Field operatives and supervising personnel are selected on the basis of their experience in the project subject matter and their ability to add value to the final project outcome.

The quality review process is further enhanced by a peer review conducted by The Chartered Accountants Australia and New Zealand practice reviews program. Our last practice review under the program found our files complied with the Institute's quality requirements.

## Other Matters

### Disclaimer

The services provided in terms of this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance either expressed or implied.

Moore Stephens, Perth, a Perth based partnership of trusts ("the firm"), carries on business separately and independently from other Moore Stephens member firms around Australia and worldwide.

Services provided under this engagement are provided by the Firm and not by any other independent Moore Stephens member firm. No other independent Moore Stephens member has any liability for services provided by other members.

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### Conflicts of Interest

The firm currently provides extensive audit and advisory services to local government and is appointed external auditor for the Town of Bassendean.

Should the possibility of a perceived or actual conflict arise in relation to delivery of our audit services, the matter would be raised with the CEO immediately and activities suspended until the issue is resolved to the satisfaction of the CEO.

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### Proposal Date

28 February 2019

### Proposal Approval

David Tomasi, Director

## **MOORE STEPHENS**

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