

CONFIDENTIAL DECISION REPORT

Report Title: Appointment of Auditor – 2020/2021 to 2024/2025
Item No: 8.1
Date of Meeting: 17 November 2020
Author: Craig Mudge, Manager Corporate Services
Attachments: Nil

Confidentiality Clauses:

That:

1. Pursuant to Section 90(2) and 90(3)(b) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because it relates to information the disclosure of which would involve the unreasonable disclosure of information which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business.
2. In weighing up the factors related to disclosure:
 - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations; and
 - non-disclosure of this item at this time will enable the Audit Committee to make an informed decision regarding the recommendation of the appointment of a new auditor.
3. Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public be excluded, with the exception of Sam Johnson, Chief Executive Officer, Craig Mudge, Manager Corporate Services, Jacqui Kelleher, Manager Administrative Services, Brenton Daw, Manager Infrastructure and Regulatory Services and Ebony Rodda, Manager Community and Economic Development.

(for resolution after consideration of the matter)

4. Having considered Agenda Item 8.1 Appointment of Auditor – 2020/2021 to 2024/2025 in confidence under Section 90(2) and 90(3)(b) of the Local Government Act 1999, the Audit Committee pursuant to Section 91(7) of the Local Government Act 1999 orders that the report be retained in confidence until Council's annual review of confidential resolutions.

1. EXECUTIVE SUMMARY

The purpose of this report is to provide Elected Members with the recommendation from the Audit Committee on the appointment of an Auditor from 2020/2021 to 2024/2025.

The District Council of Peterborough 'hosted' the tender process on behalf of four Councils, namely the District Council of Mount Remarkable, the District Council of Peterborough, the District Council of Orroroo/Carrieton and the Flinders Ranges Council.

2. RECOMMENDATION

That Council:

1. receives and notes the report; and
2. endorses the recommendation of the Audit Committee to appoint Creative Auditing Pty Ltd as its Auditor for the financial year ending 30 June 2021 to the financial year ending 30 June 2025.

3. RELEVANT CORE STRATEGIES/POLICIES

2.4 – Manage Council's finances in a professional and long-term sustainable manner

4. BACKGROUND

Pursuant to Section 128(1) of the Local Government Act 1999, Council must have an Auditor, and pursuant to Section 128(2) of the Local Government Act 1999, the appointment must be made by Council on the recommendation of the Audit Committee.

Further to this, pursuant to Section 128(4a) of the Local Government Act 1999 the appointment must not exceed five years.

Division 4 of the Local Government Act 1999 details all relevant information regarding the Audit process, namely having an Auditor, the conduct of the audit and for the Chief Executive Officer to assist the Auditor.

5. DISCUSSION

Pursuant to Section 128(1) of the Local Government Act 1999, Council must have an Auditor, and pursuant to Section 128(2) of the Local Government Act 1999, the appointment must be made by Council on the recommendation of the Audit Committee.

Further to this, pursuant to Section 128(4a) of the Local Government Act 1999 the appointment must not exceed five years.

The District Council of Peterborough 'hosted' the tender process on behalf of four Councils, namely the District Council of Mount Remarkable, the District Council of Peterborough, the District Council of Orroroo/Carrieton and the Flinders Ranges Council.

There were only two responses to the tender process, namely Galpins – Accountants, Auditors and Business Consultations and Creative Auditing Pty Ltd. Upon completion of the evaluation process by all four Councils, Creative Auditing Pty Ltd had the best overall score at 99.25% compared to Galpins – Accountants, Auditors and Business Consultants at 61%.

Creative Auditing Pty Ltd have previously been an Auditor of Council from the financial year ending 30 June 2011 to the financial year ending 30 June 2015. Ian McDonald FCA is the registered Auditor, and is or has been the Auditor for many Councils within South Australia.

The Audit Committee, in confidence, has recommended to Council that it appoints Creative Auditing Pty Ltd.

6. ANALYSIS OF OPTIONS

Option 1:

That Council:

1. receives and notes the report; and
2. endorses the recommendation of the Audit Committee to appoint Creative Auditing Pty Ltd as its Auditor for the financial year ending 30 June 2021 to the financial year ending 30 June 2025.

This option will provide Council the opportunity to endorse the Audit Committee recommendation to appoint Creative Auditing Pty Ltd as its Auditor.

7. RECOMMENDED OPTION

Option 1 is the recommended option.

8. POLICY IMPLICATIONS

8.1 Financial/Budget

Audits are a requirement under the Local Government Act 1999 and are budgeted for each financial year.

8.2 Legislative/Risk Management

Division 4 of the Local Government Act 1999 details all relevant information regarding the Audit process, namely having an Auditor, the conduct of the audit and for the Chief Executive Officer to assist the Auditor.

8.3 Staffing/Work Plans

These matters are within the remit of the Corporate Services department, however the Chief Executive Officer is ultimately responsible under the Local Government Act 1999.

8.4 Environmental/Social/Economic

Nil.

8.5 Stakeholder Engagement

Nil.

9. REPORT CONSULTATION

Discussions were held with the Chief Executive Officer and Audit Committee Members regarding this item.

10. REPORT AUTHORISERS

Sam Johnson	Chief Executive Officer
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