

CONFIDENTIAL ITEMS 2003 – AUGUST 2022

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
114	Special Audit Committee 24 April 2017	Appointment of External Auditor	<p><u>Pursuant to Section 90(3)(k)</u></p> <p>1. Pursuant to Section 90(2) of the Local Government Act 1999 the Committee orders that all members of the public except General Manager Corporate Services, Manager Finance and the Risk and Governance Officer, be excluded from attendance at the meeting for Agenda Item 3.1 Appointment of External Auditor.</p> <p>The Committee is satisfied that pursuant to Section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda item are tenders for the provision of the external audit service.</p> <p>2. The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be disclosed and discussed has the potential to impact adversely on each of the tenderers as competitive commercial information will be disclosed.</p> <p><u>Pursuant to Section 91(7)</u></p> <p>5. That having considered Agenda Item 3.1 Appointment of External Auditor in confidence under 90(2) and 3(k) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the tender documents be retained in confidence until the contract has concluded and that this order be reviewed every 12 months.</p> <p>This order is subject to Section 91(8)(b) of the Act which provides that details of the identity of the successful tenderer must be released once Council has made a</p>	The tender documents be retained in confidence until the contract has concluded and that this order be reviewed every 12 months.	The information to be disclosed and discussed has the potential to impact adversely on each of the tenderers as competitive commercial information will be disclosed.	Until the contract has concluded and that this order be reviewed every 12 months.	6 Sep 21	Within 12 months	<i>Minutes on website 26 April 2017 Report on website 31 August 2022</i>

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			<p>selection. In addition Section 91(8)(ba) of the Act requires details of the amount(s) payable by the Council under a contract for the provision of the external audit must be released once the contract has been entered into by all concerned parties.</p> <p><u>Order History</u></p> <p>4 Sep 17 – 2 Oct 18 2 Oct 18 – 8 Oct 19 8 Oct 19- 7 Sep 20 7 Sep 20 – 6 Sep 21</p>						

3. REPORTS

3.1 REPORT TITLE: CONFIDENTIAL REPORT

APPOINTMENT OF EXTERNAL AUDITOR

DATE OF MEETING: 24 APRIL 2017

FILE NUMBER: DOC/17/29618

ATTACHMENTS: CONFIDENTIAL 1 -doc/17/37416 – TENDER DOCUMENTS

Mount Barker 2035 – District Strategic Plan:

Governance and Leadership

Purpose:

To provide information on the tender process in appointment of a new Auditor and to recommend to Council the preferred tenderer.

Summary – Key Issues:

- Council's Auditor's term of appointment (5 years) has expired
- Council has undertaken a select tender process and provided a recommendation on the appointment.

Recommendation:

Section 90 (3) (k) Order

Pursuant to Section 90(3)(k)

1. Pursuant to Section 90(2) of the Local Government Act 1999 the Committee orders that all members of the public except General Manager Corporate Services, General Manager Finance, General Manager Assets and Contracts and the Risk and Governance Officer, be excluded from attendance at the meeting for Agenda Item 3.1 Appointment of External Auditor.

The Committee is satisfied that pursuant to Section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda item are tenders for the provision of:

- The provision of the external audit service.

The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be disclosed and discussed has the potential to impact adversely on each of the tenderers as competitive commercial information will be disclosed.

3. That it be a recommendation to Council that Dean Newbery and Partners Chartered Accountants be appointed as Council's Auditor for the five year period 2016 – 2021 (inclusive) at a cost of \$ 117,000 ex GST.
4. That it be a recommendation to Council that future tender evaluation panels for selection of the Auditor include two members of the Audit Committee and Chief Executive Officer/ General Manager.

Section 91(7) Order

Pursuant to Section 91(7)

4. That having considered Agenda Item 3.1 Appointment of External Auditor in confidence under 90(2) and 3(k) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the tender documents be retained in confidence until the contract has concluded and that this order be reviewed every 12 months.

This order is subject to Section 91(8)(b) of the Act which provides that details of the identity of the successful tenderer must be released once Council has made a selection. In addition Section 91(8)(ba) of the Act requires details of the amount(s) payable by the Council under a contract for the provision of the external audit must be released once the contract has been entered into by all concerned parties.

Background:

1. As per the Local Government Act 1999 Council's Auditors are appointed for a maximum of 5 years and the term for the appointment of the Auditor has expired.
2. Section 128(2) of the Local Government Act 1999 ("the Act") requires the Audit Committee to recommend the preferred tenderer.

Discussion:

3. A select tender for the period 2017 - 2021 inclusive, was called and closed on 2 February 2017. The following companies were selected based on Local Government experience:

- Galpins
- Dean Newberry and Partners
- BDO
- PKF Kennedy

Tenders were received from all but Galpins.

The current Auditor is BDO. The Act (Section 128 (4a) & (6)) allows for reappointment of the same audit firm provided a different audit partner undertakes the significant role for at least 2 financial years (S 128(6)).

4. The tender evaluation panel comprised:

- David Peters, General Manager Corporate Services
- Marcus Smith, Manager Assets and Contracts
- Anne Mooney, Manager Finance
- Alex Oulianoff, Manager Financial Strategy

The Audit Committee are reviewing the evaluation.

5. In accordance with the evaluation criteria provided with the tender documents, this tender has been evaluated against the following criteria and weightings (%):

- (a) Past Performance (15%)
- (b) Management and Technical Skills (15%)
- (c) Methodology (15%)
- (d) Local Business Support (10%)
- (e) Price (45%)

6. Of the three tenders received, Dean Newberry was identified as the evaluation panel's preferred tenderer.

Community Engagement:

Informing only	Information is provided by way of this report which is available in hard copy at the local government centre and on Council's website. The annual report includes the cost of the auditor's services.
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Policy:

The tender call and selection process has been in accordance with Council's procurement policy and associated procedures.

Budget:

The audit fee for the 2016/17 financial year is \$25,000.

Statutory/Legal:

Section 128 of the Act requires Councils to have an Auditor and that appointment must not exceed 5 years.

Staff Resource Requirements:

The tender process has been incorporated into existing work plans.

Environmental:

N/A

Social:

N/A

Risk Assessment:

N/A.

Asset Management:

N/A

Conclusion:

The procurement process have contributed to an informed decision in relation to the selection of Council's auditor for the next five years.

Key Contact

Anne Mooney, Manager Finance, Corporate Services

Manager or Sponsor of Project

David Peters, General Manager Corporate Services