

**ADELAIDE HILLS COUNCIL
AUDIT COMMITTEE MEETING
Monday 12 December 2022
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 10.1

Responsible Officer: Lachlan Miller
Executive Manager Governance & Performance
Office of the Chief Executive

Subject: External Audit Tender

For: Decision

1. External Audit Tender – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit Committee (the Committee) orders that all members of the public, except:

- A/CEO, David Waters
- Director Corporate Services, Terry Crackett
- Executive Manager Governance & Performance, Lachlan Miller
- Manager Financial Services, Mike Carey
- Governance & Risk Coordinator and Minute Secretary, Steven Watson

be excluded from attendance at the meeting for Agenda Item 10.1: (External Audit Tender) in confidence.

The Committee is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in (a) above, be excluded to enable the Committee to consider the report at the meeting on the following grounds:

Section 90(3)(d) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) that would, on balance, be contrary to the public interest, the disclosure of which could reasonably be expected to prejudice the commercial position of the business which supplied the information and to confer a commercial advantage on a third party.

Accordingly, on this basis the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

2. External Audit Tender – Confidential Item

SUMMARY

SUMMARY

The contract for the provision of external audit services has expired and the Administration has undertaken a tender process.

The purpose of this report is to provide details of the tender process to the Audit Committee and to seek the Committee's recommendation to Council for the appointment of an external auditor.

The preferred tender, BDO Audit Pty Ltd (BDO), will be attending the Audit Committee meeting to answer any queries in relation to their tender and services.

RECOMMENDATION

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council the appointment of BDO Audit Pty Ltd for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2023, with an option of a further period of up to two (2) years, as per the tender in Appendix 2.
3. To recommend to Council that the proposed fee structure for BDO Audit Pty Ltd is appropriate to enable an adequate audit to be conducted

1. BACKGROUND

Audit Committee's Role in External Auditor Appointment

The Audit Committee's *Terms of Reference (Appendix 3)* sets out the following role in relation to the appointment of the external auditor:

- 3.5.1 Consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

External Audit Services Procurement

In 2018, following an open tender process, accounting firm, Galpins, was awarded the tender to provide external audit services to Council for a three-year term with a two-year option. Council, upon recommendation from the Audit Committee, exercised that option for the 2020-21 and 2021-22 financial years.

With the impending expiry of the external audit services contract (following the completion of the 2021-22 audit), the Administration initiated an open tender process to contract a suitable firm for the provision of external audit services for a period of three (3) years commencing with the audit for the financial year ending 30 June 2023, with an option of a further period of up to two (2) years.

The request for tender (RFT), utilising Council’s standard procurement documentation and a specification developed by members of the SA Local Government Financial Management Group (SALGFMG) adapted to the AHC environment, was advertised for a three-week period on the Tenders SA site and attracted three (3) tender responses. A copy of the tender specification is at **Appendix 1**.

The Tender Evaluation Panel comprised:

- Executive Manager Governance & Performance, Lachlan Miller
- Manager Financial Services, Mike Carey
- Team Leader Finance, Liz Packer

The tender assessment process was conducted in two stages: non-fee-related assessment and fee (value for money) assessment. For the non-fee-related assessment component the evaluation criteria and weightings for the tender assessment (aligned to the RFT) were as follows:

Criteria	Weighting
Compliant Tender	Y/N
Ability to Supply (Ability to supply required services, Ability to complete works on time, Adequate resources (current/future workload))	20%
Business Capability (Skills and experience of proposed audit team in Local Government External Audit)	35%
Technical (Appropriateness of audit methodology. Appropriate licences and accreditation)	30%
Risk Management (Adequate insurance coverage)	5%
Procurement Sustainability (Social Inclusion)	5%
Procurement (Local Economic Benefit)	5%
	100%

The scoring system utilised a 5-point Likert scale, ranging from: 0 (Will fail to satisfy required standards) to 5 (Excellent) for all of the criteria except Local Economic Benefit: 0 (Overseas based supplier) to 5 (Business based in AHC area).

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal 5 A Progressive Organisation

Objective O5 We are accountable, informed, and make decisions in the best interests of the whole community

Priority O5.3 Demonstrate accountability through robust corporate planning and reporting that enhances performance, is relevant and easily accessible by the community

External audit is a key accountability function to the community regarding the financial governance of the organisation.

➤ Legal Implications

Chapter 8 – Administrative and financial accountability, Part 3 – Accounts, financial statements and audit, Division 4 – Audit of the *Local Government Act 1999* and Part 6 - Audit of the *Local Government (Financial Management) Regulations 2011* set out the requirements regarding the appointment of the external auditor and the conduct of the audit.

Key elements relevant to the appointment of the auditor are that a council must have an auditor and they must be appointed by council on the recommendation of the council's audit committee. The auditor must be a register company auditor and must not be appointed for a period exceeding five (5) years.

➤ Risk Management Implications

The appointment of the external auditor consistent with the requirements of legislation assists in mitigating the risk of:

Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low

The external auditor is a current control and therefore there is no predicted movement in the Residual Risk rating resulting from this report.

Note that there are many other controls that assist in mitigating this risk.

➤ Financial and Resource Implications

Council makes a budget allocation each year for the expenses associated with the conduct of the external audit. The recommended tender price is within the current budget allocation.

The external audit function is managed by the Governance & Performance Department although the Finance Services Department is most significantly impacted throughout the external audit process.

➤ **Customer Service and Community/Cultural Implications**

There is a high expectation that Council’s accounts are audited by appropriately qualified and independent external auditors.

➤ **Sustainability Implications**

Not directly applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees: The Audit Committee were advised at their October 2022 meeting that the external tender was to take place but were not engaged in the process itself.

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

External Agencies: Not applicable

Community: Not Applicable

➤ **Additional Analysis**

As advised above, three (3) tenders were received and were scored individually by the evaluation team and then moderated to produce a final rating. The evaluation matrix has been de- identified for all but the recommended tender, as follows:

Criteria	A	BDO	C
Compliant Tender	Y	Y	Y
Ability to Supply (Ability to supply required services, Ability to complete works on time, Adequate resources (current/future workload))	12	12	12
Business Capability (Skills and experience of proposed audit team in Local Government External Audit)	21	21	14
Technical (Appropriateness of audit methodology. Appropriate licences and accreditation)	18	24	12
Risk Management (Adequate insurance coverage)	2	2	2
Procurement Sustainability (Social Inclusion)	2	4	2
Procurement (Local Economic Benefit)	3	3	3
Non-Fee Assessment Totals	59	66	45
Fee Proposal (3 year)	\$73.6k	\$83.6k	\$67k

The areas of comparative strength of the BDO proposal were the superior ICT controls assessment methodology, sound transition plan, document portal, 25% more audit hours, and extensive local government external audit experience.

Negotiation with the preferred tenderer on the cost of acquittals has been undertaken with a reduction in these fees which will be reflected in the final contract.

Based on the combination of the non-fee and fee assessments, the Tender Evaluation Panel identified BDO as the preferred tender. A copy of BDO tender is at **Appendix 2**

Referee reports were obtained from two councils that currently contract BDO for their external audit function. These referee reports were positive in all key areas of performance.

On the basis of the tender assessment and referee reports, the Tender Evaluation Panel affirmed their preference to recommend BDO to the Audit Committee for their consideration and recommendation to Council for appointment as Council's external auditors.

3. OPTIONS

The Committee has the following options:

- I. To note the actions of the Tender Evaluation Panel and to recommend the appointment of BDO as Council's external auditors for a period of three (3) years commencing with the audit for the financial year ending 30 June 2023, with an option of a further period of up to two (2) years subject to final negotiations on composition and pricing (Recommended).
- II. To note the actions of the Tender Evaluation Panel and determine an alternative course of action to the above (Not Recommended)

4. APPENDICES

- (1) External Audit Tender Specification
- (2) BDO Tender
- (3) Audit Committee Terms of Reference

Appendix 1

External Audit Tender Specification

7. Section D – Specifications for the Services

External Audit Specification

Detailed below is the specification and details that tenderers are required to address in their submissions.

7.1 The Objectives of the Audit

The objective of Council's audit is to provide independent audit opinion of the:

- a. accounts and annual financial reports; and
- b. internal financial controls

of Council for each financial year covered by the term of the audit appointment

The audit must meet both statutory requirements and Australian audit standards.

7.2 Term of Audit Appointment

Council is seeking to make an appointment for a period of three (3) years commencing with the audit for the financial year ending 30 June 2023, with an option of a further period of up to two (2) years.

Should the legislation change during the term of this contract, which would require that the SA Auditor-General audit South Australian Local Government, the term of appointment may be reduced to reflect the direction of that or any other relevant legislation.

7.3 Scope of the Audit

The auditor is to: –

7.3.1 carry out such work as is necessary to form opinions as to whether:

- a. the accounts are properly kept and the annual financial statements:
 - i. are prepared in accordance with the financial records; and
 - ii. represent fairly the results of the operations and cash flows for the financial year and the financial position of the Council at 30 June in accordance with the Australian Accounting Standards, the *Local Government Act 1999* (as amended), *Local Government (Financial*

Management) Regulations 2011 and other mandatory professional reporting requirements.

- b. the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

7.3.2 include in his or her audit report any matters identified during the normal audit procedures such as: –

- a. any significant adverse trends in the financial position or the financial management practices of the Council;
- b. any material irregularities in the Council's accounting practices or in the management of the Council's financial affairs identified during the course of the audit;
- c. any factors impacting on the adequacy of the depreciation charge for the year. This is after due consideration of an assessment of the depreciation methodology principles adopted by Council and the consistency of the accounting principles applied;
- d. the adequacy of the internal controls in operation, in particular those in the critical areas listed below.

7.3.3 plan and undertake the annual standard acquittal audit certification of supplementary statements produced from the same accounting records in respect of Roads to Recovery, Commonwealth Home Support Program Grants, Workers' Compensation employee remuneration, Construction Industry Training Levy and all other grant acquittals as required by the grantor.

7.4 Audit Methodology and Approach

7.4.1 The auditor is required to comply with the requirements of *the Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

7.4.2 An audit is to be carried out in accordance with "Auditing Standards" and "Auditing Guidance Statements" published (and amended from time to time) by the Auditing and Assurance Standards Board established under the Australian Securities and Investments Commission Act 2001 of the Commonwealth.

- 7.4.3 The auditor is to provide the Council with a general outline of his or her methodology. This may include the proposed analysis and review of internal controls and the extent to which these controls lead to reliance on the Council's administration systems to produce accurate reports.
- 7.4.4 The auditor is to provide to the Council, on an annual basis (nominally in early February), a plan for the audit including:
- a. timing of interim audit visits;
 - b. final audit visit in accordance with timeframes agreed with Council's administration; and,
 - c. the method to be used to communicate with, and provide advice and information to, the Council.
- 7.4.5 The auditor is required to produce two opinions in compliance with section 129(3) of the *Local Government Act 1999* and written advice on particular matters arising from the audit, in compliance with section 129(4).
- 7.4.6 Prior to handing over a final audit management letter (see Section 7.6 below) the auditor is to discuss the proposed contents of the letter with senior management and thereafter at a meeting of the Council's Audit Committee or the Council itself.

7.5 **Critical Matters to be Audited**

Council is of the view that the following matters are important to the proper maintenance and reporting of its financial statements.

They are also important to the auditor's responsibility for providing the audit opinions and the written advice required by subsections 129(3) and (4) of the *Local Government Act 1999*.

The auditor should include in his or her proposal the extent to which the matters outlined below will be examined in the course of forming his or her independent audit opinions of the accounts and annual financial reports and the internal financial controls of the Council:

- 7.5.1 ***Governance and Control***
- a. Roles and Responsibilities
 - b. Delegated Authorities
 - c. Council/Committee Minutes and Directions
 - d. Strategic/Business/Risk Planning
 - e. Budget Management
 - f. Internal Controls including ICT Security

7.5.2 **Financial Accounting and Reporting**

- a. Income**
Rates revenue,
Government grants,
User pays revenue
Profit on sale of non-current assets
Other income
- b. Expenses**
Salary and wages costs
Depreciation
Materials and contract expenditure
Loss on sale or revaluation of non-current assets
Insurances
Bad debts
Other expenses
- c. Current Assets**
Cash at bank and short-term investments
Trade and Other Receivables
Other Financial Assets
Inventory
- d. Non-Current Assets**
Financial Assets
Equity Accounting Investments in Council Business
Infrastructure, Property, plant, equipment, and accumulated depreciation thereon
Other Non-Current Assets
- e. Liabilities (current and non-current)**
Trade and Other payables
Borrowings
Provisions for employee entitlements
- f. Other**
Statement of changes in equity
Disclosure of contingent liabilities
Disclosure of capital commitments
Accounting policies and notes to the financial statements
Statement of cash flow
Financial Indicators as set out in the Model Financial Statements
Any other items as required as per Accounting Standards and/or relevant Legislation

7.6 **Audit Management Letters and Opinions**

Without limiting the scope and application of ASA 260 – “Communication of Audit Matters with Those Charged With Governance” Council requires that the auditor shall after the conclusion of both the interim audit or a final audit (in compliance with section 129(4) of the *Local Government Act 1999*) provide to the Mayor of the Council, the Council’s Audit Committee and the Chief Executive Officer a management letter outlining the audit findings in relation to the following matters where such matters are material:

- 7.6.1 Any significant adverse trends in the financial performance, financial position or financial management practices of the Council and any material irregularities in the Council’s accounting practices or in the management of the Council’s financial affairs identified during the course of the audit. Where management has taken steps to correct or improve the financial performance, financial position, financial management practices, accounting practices or management of the Council’s financial affairs, the auditor must comment on the efficacy of the correction or improvement.
- 7.6.2 The appropriateness of the valuation and depreciation methodologies being used in respect of all assets. Depreciation is a significant component of a Council’s operating expenses and any errors in the way in which depreciation is calculated can have a material impact on the calculation of a Council’s operating surplus or deficit. The auditor also needs to ensure that useful lives and residual values of infrastructure are realistic.
- 7.6.3 The extent to which the internal control environment has been assessed as set out in the audit plan and any material weaknesses in the control environment, based on the application of auditing standard ASA 315 (Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment), other relevant auditing standards, and the LGA’s Better Practice Model –Internal Financial Controls. Where weaknesses have been identified and management has proposed or adopted remedial action to rectify the weaknesses, the auditor must comment on the efficacy of the proposed or adopted course of action. Where weaknesses have not been addressed the auditor must make recommendations for addressing the weaknesses.
- 7.6.4 Whether the Council, through its Audit Committee, is regularly monitoring and assessing the adequacy and effectiveness of its risk management framework and activities.
- 7.6.5 Where the Council or management have requested that a specific activity, function or operation of the Council be reviewed during an audit, the auditor must report on the scope of the review, its findings and any

recommendations in relation to the activity, function or operation of the Council.

- 7.6.6 Where an Auditing Standard requires that the auditor must give consideration to the reporting of specific matters to those charged with governance, the auditor must comply with the Auditing Standard and report as necessary.
- 7.6.7 The auditor must report on the outcome of any remedial action taken by the Council as a result of previous reports. Specific attention must be drawn to situations where the remedial action is not adequate, including the failure to implement remedial action.
- 7.6.8 Where it becomes apparent to the auditor that a Council has failed to comply with relevant legislation, the auditor must report on significant failures and any remedial action proposed or adopted by management to rectify non-compliance.
- 7.6.9 Where, during the course of an audit, it becomes apparent that management has failed to comply with Council's policies, the auditor must report on significant non-compliance and any action proposed or adopted by management to rectify non-compliance with the Council's policies.
- 7.6.10 The requirements set out above do not limit the scope of the auditor's report and the auditor must report on any other matter that in the auditor's judgment may have an impact on good governance and the sound management of the Council's affairs.

7.7 Fees and Expenditure

- 7.7.1 The auditor is to provide the following detail:
 - a. an estimate of the hours to be spent on the audit by the lead auditor and audit personnel for a financial year, as per Table B in Schedule 12;
 - b. the lead auditor and registered company audit number;
 - c. the experience of the lead auditor in completing Local Government audits.
- 7.7.2 In addition, the auditor should indicate in the fee structure:
 - a. Tenderers are required to provide a detailed list of fees split into the categories listed in Table B in Schedule 12 (ex GST):
 - b. Fees for any additional work permitted (on an hourly rate) under section 130A of the *Local Government Act 1999*, or under sub-

regulation 22(2) of the *Local Government (Financial Management) Regulations 2011*;

- c. If additional services (those not listed in Section 3) are required, a breakdown and details of the fees and a separate fee is to be arranged prior to commencement of the service; and
- d. The Fee Submission shall include all general administration costs such as telephone calls, facsimiles, courier services, photocopying and travelling.

7.8 **Attendance at Meetings**

It is envisaged that the Lead Auditor (refer Schedule 3 below) will be required to attend at least two Audit Committee meetings per year to discuss matters associated with the annual Audit Plan and to discuss matters arising from the audit.

The Lead Auditor may also be requested to attend a Council meeting to discuss matters associated with the preparation of the annual financial statements and the audit report.

7.9 **Terms and Conditions**

The following conditions should be noted by auditors:

- a. The auditor shall not sub-contract to a third party without Council approval.
- b. The auditor shall not, and has no right to, assign the audit contract to third parties.
- c. The auditor shall not be engaged by the Council to undertake any financial and accounting work that results in financial information that will be the subject of the annual audit.
- d. The auditor shall confirm that he or she has and will maintain during the duration of the audit term, professional indemnity insurance covering the legal liability arising out of any neglect, default, error, or omission of at least \$5m in aggregate or \$2m on an "each and every claim" basis with a two year run-off, plus public liability insurance to a minimum of \$20m.

7.10 **Termination of Appointment**

The appointment as auditor is terminated if:

- a. the auditor (being a natural person) is unable to provide the Services; and where the Company providing the services is unable to provide an alternative person that is to the satisfaction of Council;
- b. the auditor ceases to be a registered company auditor;
- c. the auditor is a disqualified person under Section 128 (5) of the *Local Government Act 1999*;

- d. the auditor otherwise ceases to be eligible for appointment as auditor;
- e. the auditor accepts remunerated office or employment from the Council;
- f. the auditor resigns by giving 30 days written notice to Council;
- g. Council serves notice in writing to the auditor terminating the appointment for reasonable cause;
- h. the term of the appointment expires.

7.11 **Auditor Independence**

Pursuant to regulation 22(5) of the *Local Government (Financial Management) Regulations 2011*, the auditor is required, annually, to provide a declaration that he/she is independent of the Council and nothing has transpired that would compromise his or her independence during the conduct of the audit.

Attachment 1:
Overview of Adelaide Hills Council

Financial Information (based on 2021/22 Financial Year)

Item	\$
Total Operating Revenue	52.5m
General Rates Revenue	38.5m
Community Wastewater Management Systems (CWMS) Separate Rates	1.7m
Landscape Levy	1.0m
Total Expenses	51.3m
Total Assets	454m
Total Liabilities	30.3m

Council's administration operations are largely based at Stirling although some services are located in other townships across the region including Woodside. In addition, Council utilises three works depots located at Heathfield, Woodside and Gumeracha to service its field operations. Council has three libraries at Stirling, Woodside and Gumeracha and a Mobile Library visiting areas around the region. In addition, Council operates Community Centres located at Norton Summit and Gumeracha as well as supporting and working collaboratively with The Hut Community Centre at Aldgate.

Adelaide Hills Council owns and operates a retirement village that incorporates a total of 6 units, located in Bridgewater. Further, Council maintains 16 historic cemeteries within the Council area.

Council operates a co sourced internal audit model including contract internal audit services as part of Governance & Performance operations, working collaboratively with External Audit

Further details on Council's financial information are available in the 2021/22 General Purpose Financial Statements. These documents are available in hard copy upon request or on Council's web site:

<http://www.ahc.sa.gov.au/Council/council-documents>

Systems Information

The major financial systems are managed using the Open Office enterprise resource planning (ERP) software solution powered by Microsoft Dynamics. This is a fully integrated system incorporating the modules detailed below.

Asset information for financial accounting purposes is managed by the Confirm asset management system (Pitney Bowes)

Records management is currently provided by the RecordsHub management system.

In addition, various other computer systems are used such as Microsoft Office tools and Mapinfo (spatial and GIS).

OPEN OFFICE

The Open Office technology platform is based on Microsoft .Net framework and utilises a fully tiered architecture that allows the application to be deployed over one or many servers, making it fully scalable. The User Interface has been separated out from the Business Logic so data can be shared with other applications using Web Services.

All access to the database is fully controlled using LINQ in the Data Access Layer in consideration of data accuracy, security and integrity.

Open Office also makes extensive use of web services for the interaction with other systems and uses AJAX technology where it enhances the user experience.

Modules include:

- Cashlink Receipting being a comprehensive cash receipting product, which assists in the automation of the cash receipting process.
- Collect - Open Office's Accounts Receivable Module excluding Rate Debtors.
- Creditors Payment Processing
- Finesse - general ledger and financial reporting
- Payroll
- Procure - Open Office's Module which encompasses Creditors, Stores, Orders, Loans and Trust.
- Property - incorporating rating and billing
- Infringements
- Hazard ID
- Animal Management
- Development & Building Management
- Health Management

Appendix 2

BDO Tender



Adelaide Hills Council

External Audit Services (RFT number 2022-23-40)

November 2022





Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

Level 7, BDO Centre
420 King William Street
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

Via www.tenders.sa.gov.au

Mr Lachlan Miller
Executive Manager, Governance & Performance
Adelaide Hills Council

24 November 2022

Dear Lachlan

TENDER FOR AUDIT SERVICES - PROVISION OF EXTERNAL AUDITING SERVICES (2022-23-40)

We are pleased to submit this proposal for the provision of external audit services to Adelaide Hills Council.

We believe that our extensive experience providing external audit services to a wide range of South Australian businesses and Local Government sector entities will enable us to continue to deliver a high quality, value-adding and value for money audit services.

As demonstrated in this proposal, BDO is well placed to deliver on your requirements, particularly given we specifically commit to:

- ▶ A team dedicated to working in partnership with you, providing experience and insight;
- ▶ A competitive fee, delivering value for money for the Adelaide Hills Council;
- ▶ Providing continuity of senior staff on the engagement; and
- ▶ Use of the BDO Audit Approach, which is globally proven while still tailored to your individual needs.

Over the period of our appointment to date you should think of us as an extension of your team, working closely with you to provide practical, hands-on business support.

We trust our proposal illustrates our knowledge and expertise to meet your requirements and assessment criteria. Please let me know if you need any further details, elaboration or clarification on any specific points. We are excited by the opportunity to work with the Adelaide Hills Council, and would appreciate the opportunity to discuss any aspect of our proposal that might not meet your expectations.

Yours sincerely

BDO Audit Pty Ltd

Geoff Edwards
Director

Linh Dao
Associate Director

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SCHEDULE 1 - FORMAL OFFER

We, BDO Audit Pty Ltd (the "Tenderer") on 24 November 2022 having read, understood and fully informed myself/ourselves/itself of the contents, requirements and obligations of the Request for Tender, do hereby tender to provide and complete the Works described in the Specifications, as per RFT in accordance with the Contract for the amounts set out in the Tender Return Schedules attached.

The Tenderer:

1. is subject to the terms and conditions set out in the Conditions of Tendering;
2. irrevocably offers to perform the Services on the terms of the Contract and the Specifications, as per RFT, which form part of the Tender Documents subject only to the variations set out in Schedule 12;
3. confirms that this Tender has been prepared without any consultation, communication, agreement or other arrangement with any competitor regarding:
 - 3.1 prices or methods, factors or formulae used to calculate prices;
 - 3.2 the intention or decision to submit a Tender, or the terms of the Tender;
 - 3.3 the submission of a Non Conforming Tender; and
 - 3.4 the quality, quantity, specifications or particulars of the Services ; and
4. holds this offer open and capable of acceptance by the Council for a period of 90 days from the closing date.

The undersigned undertakes that if selected as the successful Tenderer, we will execute and be bound by the Agreement in accordance with the Conditions of Tendering.

Executed by BDO Audit Pty Ltd pursuant to section 127 of the Corporations Act 2001



Signature of Authorised Representative

Geoff Edwards

Name of Authorised Representative

Director

Position



Signature of Witness

Linh Dao


Name of Witness

Associate Director

Position

Date: 24 November 2022

SCHEDULE 2 - TENDERER'S DETAILS

Name of Tenderer State in full the name(s) of the person(s) or the registered name(s) of the company(s) and trading names.	BDO Audit Pty Ltd
Contact person Nominate a contact person for this tender to deal with any questions or queries that may arise.	Geoff Edwards
Australian Business Name (ABN):	33 134 022 870
Registered Address:	Level 10, 12 Creek Street BRISBANE QLD 4000
Postal Address:	GPO Box 2018 ADELAIDE SA 5001
Telephone:	08 7324 6000
Email:	geoff.edwards@bdo.com.au
Tender conditions Tenderer to sign that it has read and understood this RFT and the Conditions of Tender.	
Amendments to Tender Documents Tenderer to confirm receipt of all addendums that apply to the tender documents. (if applicable)	

SCHEDULE 3 - LICENCES AND ACCREDITATION

LICENCE TYPE	DETAILS (E.G LICENCE NO. DATE OF EXPIRY, PERMITTED ACTIVITY)
Registered Company Auditor	322799 (Geoff Edwards) 332285 (BDO Audit Pty Ltd) 510025 (Linh Dao)
Professional membership registration	Member, Chartered Accountants Australia and New Zealand Member # 30527
Name of leading auditor/signing partner	Geoff Edwards

Copies are attached at Appendix 3.

SCHEDULE 4 - INSURANCE

Tenderers shall provide details of relevant insurance policies currently held by their Company including evidence of currency.

Insurance Type	Policy No.	Extent of Cover		Expiry Date	Name of Insurer
		Per Incident \$AUD	In Aggregate \$AUD		
Public & Products Liability	04CL010697	Min. \$20m	Min. \$20m	31/03/2023	Chubb Insurance
Professional Indemnity	P20A320053PA, P20A320053PB, P20A320053PC, P20B320053P and P20C320053P	\$30m each claim or loss	\$30m each claim or loss	30/10/2023	Lloyds of London
Workers Compensation	26130906			30/06/2023	Return to WorkSA

Copies of insurance certificates can be found at Appendix 2.

SCHEDULE 5 - EXPERIENCE

1. Past performance

For how many years has the Tenderer engaged in the type of work required by the Contract?

Over 15 years

Has the Tenderer had an appointment terminated on a project in the last five years. If yes please provide brief details.

No

Has the Tenderer terminated an audit in the last five years. If yes please provide brief details.

No

Has the Tenderer refused to continue providing services under a contract in the last five years unless the terms or payments were changed from those which were originally agreed. If yes please provide brief details.

No

2. Current contracts

Provide details of current contracts in a local government environment including the range of services provided and the numbers and types of properties serviced.

The following table provides a further summary of our experience with external audit in the local government sector. These arrangements together with our clients outside of the sector will not impact on our ability to provide audit services to the Adelaide Hills Council.

ORGANISATION	PROJECT	CONTRACT NAME & NUMBER	\$	COMPLETION DATE
Adelaide City Council	External audit	Provision of external audit services / CN T20200038	\$60,000	Current auditors, engaged for last 15 years
City of Tea Tree Gully	External audit	Provision of external audit services / CN C7181915	\$26,000	Current auditors, engaged for the last 4 years
City of West Torrens	External audit	Professional Services Period Agreement No. CWT201700126	\$25,000	Current auditors, engaged for last 10 years
City of Norwood Payneham and St Peter's	External audit	Services agreement for external audit services	\$24,000	Current auditors, engaged for the last 5 years
Town of Wakerville	External audit	Professional Services Agreement for External Audit Services for 2020-21 to 2022-23	\$24,000	Current auditors, engaged since 2021
City of Playford	External audit	Provision of external audit services / CN 00902	\$32,000	Current auditors, engaged since 2021
City of Salisbury	External audit	Provision of external audit services/ 11426	\$33,000	Current auditors, engaged since 2022

SCHEDULE 6 - AUDIT APPROACH & METHODOLOGY

Please refer to attachment to this tender: SECTION D when filling this section.

Tenderers shall provide a detailed methodology for the scope of work listed in Section D that demonstrates a sound understanding of the requirements contained in the Request for Tender.

BDO audit approach and methodology

Our audit approach focuses on:

- ▶ Obtaining an understanding of the organisation's from an internal and external point of view, including the information systems and controls in place within your organisation
- ▶ Identifying and assessing the risks of material misstatement, and the relevant controls in place to address these risks
- ▶ Choosing the most appropriate and effective procedures to obtain the audit evidence we need to form our opinion, including the use of data analytics
- ▶ Ensuring rigorous quality control over our engagement performance
- ▶ Providing the organisation with constructive ideas for improving internal controls and business systems
- ▶ Using technology for effectiveness throughout the process.

The difference in our methodology is in the tailored audit approach supported by experienced personnel and intimate knowledge of your business operations. In addition, we continue to tailor our approach to meet your current requirements as your business evolves.



Audit work is designed to support the opinion that the financial statements, including the accompanying notes, show a true and fair view, which means that stakeholders and others can be confident that the financial report can be relied upon for the purpose of making relevant financial and operational decisions.

Approach to Audit

Our audit approach to local government entities is centred on internal controls. We strive to use the legislative requirement for the audit opinion on internal controls to generate efficiencies for our financial statement audit. For internal controls we test the operating effectiveness of each core control in the Better Practice Model to provide evidence for our audit opinion.

We have identified the core controls within the Better Practice Model that provide sufficient and appropriate audit evidence for the financial statements. When operating effectively, these core controls provide us with a significant level of assurance for our audit of the financial statements.

We undertake further testing where required to supplement the controls work. This typically takes the form of analytical procedures. We have summarised typical audit procedures undertaken below

Revenue

- ▶ Analytical review and testing of total rates revenue compared to budget and declared rates
- ▶ Analytical review of revenue from other sources
- ▶ Verification of major grant, subsidy and contribution income to external documentation.

Expenditure

- ▶ Reconciliation of wages and salary on-costs paid to wages and salaries expense
- ▶ Analytical review of all operating expenditure and wages and salaries expense

Current assets

- ▶ Independent verification of cash and investment balances
- ▶ Review of bank reconciliations and checking of significant and / or long outstanding items
- ▶ Testing of recoverability of rates and other receivable balances.

Non current assets

- ▶ Review of the accounting policies and practices in relation to the accounting for major infrastructure assets including revaluation of assets held at fair value.
- ▶ Testing of capital works in progress, and WIP additions
- ▶ Review financial statements of equity accounted investments.

Liabilities

- ▶ Analytical review of creditors and accruals for reasonableness
- ▶ Review of subsequent payments to identify any significant creditors omitted at balance date
- ▶ Independent confirmation of LGFA loans and other significant external liabilities.

Equity

- ▶ Verification of roll forward of equity balances and any adjustments such as revaluations
- ▶ Review of income statement to ensure that capital and operating results are properly segregated.

Other

- ▶ Review of minutes, budgets and long-term financial plans to identify any emerging issues or matters of financial significance.
- ▶ Review of disclosures regarding capital and operating commitments, and financial risk management disclosure and policies
- ▶ Review and discussion with various personnel to identify the existence and disclosure of relevant contingent liabilities and capital commitments.
- ▶ Independent review of disclosure in line with recent Local Government financial reporting guidelines and our own disclosure checklists
- ▶ Independent verification of the council's cash flow statement.

IT General Controls

- ▶ Gain an understanding of the Council’s information systems / applications / data warehouses relevant for processing and recording financial information through discussions with the staff responsible for managing the IT environment.
- ▶ Determine whether the environment is consider complex and engage with our IT Specialist
- ▶ Assess the design and implementation of logical access controls

Implementation schedule

PHASE	ACTIVITIES	INDICATIVE TIMING
1. Scoping	<p>During this phase, we will:</p> <ul style="list-style-type: none"> ▶ Agree expectations and the terms of our engagement with you ▶ Understand the nature of the engagement in detail ▶ Determine the scope of our work, and the materiality levels to apply. 	March 2023
2. Identify and assess risk	<p>During this phase, we will:</p> <ul style="list-style-type: none"> ▶ Perform risk assessment data analytics to identify the focus areas for our work ▶ Obtain a detailed understanding of your organisation, focusing on the information systems, processes and controls you have in place that are relevant to the financial reporting process ▶ Obtain a detailed understanding of the critical estimates and judgements that you make in preparing the financial statements ▶ Assess the design and implementation of control activities we have identified that are relevant to our audit ▶ Assess the potential risks of material misstatement to your financial statements, based on our understanding. 	April 2023
3. Design audit response	<p>During this phase, we will:</p> <ul style="list-style-type: none"> ▶ Design procedures to respond in the most effective way to the assessed risks identified ▶ Issue and discuss with you our audit plan, which sets out our focus areas and insights that are relevant to your business. 	May-June 2023
4. Obtain audit evidence	<p>During this phase, we will perform and evaluate the results of the procedures we have designed, which will include:</p> <ul style="list-style-type: none"> ▶ Data analytics testing, where we obtain and analyse data from your information systems and relevant external sources using our suite of available data analytics tools ▶ Testing the operating effectiveness of the controls ▶ Substantive analytical and other procedures. 	September 2023
5. Form opinion	<p>During this phase, we will:</p> <ul style="list-style-type: none"> ▶ Evaluate the overall results of the procedures performed, including any misstatements identified in the course of our work ▶ Perform our final analytical review on the financial statements as a whole, in light of the findings from our work ▶ Form and draft our audit opinion on the financial statements as a whole. 	October 2023
6. Report	<p>During this phase, we will:</p> <ul style="list-style-type: none"> ▶ Issue and discuss with you our audit completion report, which sets out our key findings from the audit, and incorporates any recommendations for improvement and insights relevant to you ▶ Issue our audit report to you. 	October/ November 2023

Internal audit

While the objective of the internal audit function and the external auditor are different, some of the ways in which the internal audit function and the external auditor achieve their respective objectives may be similar.

Where internal audit relates to financial reporting or internal controls we may use this work to modify the nature or timing, or reduce the extent, of the audit procedures that we perform. Where we determine that the internal audit function is likely to be relevant to our audit we will:

- ▶ Determine whether, and to what extent, we are able to use specific work of the internal auditor, and
- ▶ If using the specific work of the internal auditors, determine whether that work is adequate for the purposes of our audit.

In connection with this, at our interim audit visit we will review the internal audit plan, and any of their completed internal audit reports.

We note that irrespective of the degree of autonomy and objectivity of the internal audit function, this function is not independent of the entity to the same extent as the external auditor when expressing an opinion on the financial report. The external auditor has sole responsibility for the audit opinion expressed, and that responsibility is not reduced by the external auditor's use of the work of the internal auditors

Information technology

Local government councils operate using a diverse range of IT systems and processes. Our audit methodology requires us to consider the complexity of these systems and to use Information technology specialists where the audit team may not have the skills and expertise to make a full assessment of the system and the controls in place.

BDO Adelaide has a Technology Advisory team highly experienced in providing this level of support to our audit division. We will involve members of this team as required in the audit of the Council. This time is incorporated into our fee quote.

Transition plan

Our team has a proven track record in the transition of audit services for organisations just like yours. Our strong project and time management skills will ensure that the transition will be smooth, and key dates will be met.

We will deal with all parties concerned in a sensitive manner to ensure a seamless and speedy transition to BDO, with the least possible disruption to your team and operations. Meeting deadlines, including those related to transition, is key to our service offering.

Transition to BDO will cause minimal to no disruption to your business. We have done this many times before and will guide you through the ideal process, as follows:

1. We will review the incumbent auditor's files, to understand risks identified and key audit areas. We will maintain effective and respectful interaction with incumbent auditor, ensuring we have access to historical information as required
2. We will undertake research and meet with your Audit Committee and management to further develop our knowledge of your business, operating environment, and individual requirements. We will then draft a detailed transition plan in consultation with you
3. We will provide clear, detailed requests for the information we require from you. We will make these requests well in advance, to ensure you are well prepared

-
4. We will review your policies and procedure manuals before commencing the engagement. This will ensure we are prepared to start working from day one, rather than learning on your time. We won't bill you for this preparation time, as we have a long term view in mind
 5. We will assist you and incumbent auditor in making a smooth transition out.

Planning meeting

A key element to ensuring a seamless transition is our initial planning meeting with your team, during which we work to understand any concerns and strengthen our knowledge of your business and operating environment.

This provides a solid foundation of knowledge to complete the audit with minimal disruption to you. This also enables your team to gain a deeper understanding of BDO's approach and strategy, how to best use our expertise, and what will be required from all team members.

SCHEDULE 7 - REFEREE'S

Tenderers shall provide details of at least three references for similar work undertaken by the company.

REFEREE #1			
Project Name:	City of Tea Tree Gully		
Project Scope:	Audit of financial statements and internal controls		
Project Value	\$28,000 p.a	Project Duration:	The past 4 years
Address:	571 Montague Road MODBURY SA 5092		
Contact Name:	Rebecca Baines		
Telephone:	08 8397 7362		

REFEREE #2			
Client Name:	City of Adelaide		
Project Scope:	Audit of financial statements and internal controls		
Project Value:	\$60,000 p.a	Project Duration	The past 15 years
Address:	26 Pirie Street, Adelaide SA 5000		
Contact Name:	Nicole Van Berkel		
Telephone:	08 8203 7942		

REFEREE #3			
Client Name:	City of Norwood Payneham and St Peters		
Project Scope:	Audit of financial statements and internal controls		
Project Value:	\$24,000 p.a	Project Duration:	The past 5 years
Address:	175 The Parade NORWOOD SA 5067		
Contact Name:	Andrew Alderson		
Telephone:	08 8366 4548		

SCHEDULE 8 - ORGANISATION STRUCTURE AND RESOURCES

Organisation structure

BDO in Adelaide

The audit services for the Council will be provided by BDO Audit Pty Ltd, Adelaide office. We have three directors and over 40 staff who provide audit services to many large organisations in the State. The vast majority of this team has experience on the external audit of a local government entity. This audit group forms part of the BDO Adelaide practice which comprises 20 partners and 171 staff. This makes us one of the largest accounting practices in Adelaide, and also provides us with the flexibility should there be any short or long term resourcing issues.

Lead Auditor and Staff

Audit service team

The Adelaide Hills Council will benefit from the involvement of our most experienced people and the attention they provide you while delivering the assurance services required. The audit service team has extensive local government experience. This means that the employees of the Adelaide Hills Council will not need to spend too much time training or educating audit staff on the risks, systems and procedures of the Adelaide Hills Council. We have carefully selected your BDO team to ensure the best fit, with the right mix of Local council experience and technical expertise. They are all committed to providing exceptional client service to the Adelaide Hills Council, and have a track record of delivering quality audit outcomes.

All the experts required to service your engagement are Adelaide-based, providing you with the certainty of an easily accessible, local team. They will work closely with you throughout the year, providing practical support and constructive challenge.

Senior team members are introduced in the table below, with full CVs provided in Appendix 1.

Proposed engagement team for the Adelaide Hills Council



Geoff Edwards
Engagement Partner

Geoff Edwards will have overall responsibility for ensuring that the audit services provided to the Adelaide Hills Council meet their needs and expectations, and for managing our relationship with the Adelaide Hills Council. Geoff will also be responsible for signing the annual audit opinions.

Geoff has extensive experience in the local government sector.



Linh Dao
Associate Director

Among Linh's diverse client base are State Government, local councils, private companies and a wide range of not-for-profit organisations. She provides support to senior management and boards, delivering advice on accounting, corporate governance, risk management and business strategy matters.

Linh will be responsible for the overall quality of our service delivery to the Council. She will attend your premises during all audit visits and be available to attend meetings at your request.

Linh is the key member of the audit engagement team for the City of Adelaide, City of Tea Tree Gully, City of Onkaparinga, LGA Asset Mutual Fund and Local Government Income Protection Fund. She has a total of ten years' experience working with local government sector clients.

Contingency arrangements

We offer flexibility working arrangements with our staff and our clients. We do not have any request in relation to facilities to provide our services. We however would prefer conduct the audits with 2 visits per year.

We also have the ability to complete the audit remotely if the situation arose where we were unable to gain access to your office. This has been successfully done through the use of our BDO Global Client Portal.

BDO's Client Portal, a collaboration with Microsoft, is an innovative platform that digitises engagements with our clients. Our aim is to improve project efficiency and enhance your services experience with BDO. A Portal will be set up for you and form a secure space for you and your BDO team to share information and collaborate. The Client Portal will:

- ▶ **Support** our relationship with you by providing ready access to all relevant data and audit documentation
- ▶ **Assist** with project management by tracking activities and milestones for any relevant processes, providing a live view of progress to both your BDO engagement team and Council management
- ▶ **Trigger** reminder email alerts for all tasks and approaching deadlines, as required; and
- ▶ **Allow** immediate access at all stages to a 'live' record of the progress of the engagement.

SCHEDULE 9 - VALUE ADD SERVICES

Provide details of any other benefits you can offer to improve the level of service or value of your Tender.

Value Added Services

Our approach to value added services is to focus on the basics first. We aim to provide exceptional client service, being responsive and reliable around core audit work. We supplement this by understanding what makes each local government organisation unique, it's particular challenges and opportunities.

Our belief is that this allows the finance teams to focus their time and energy into strategic focuses such as creating intergenerational equity. In addition, by building a relationship founded on responsiveness, reliability and understanding, advice provided throughout an audit on accounting process and policies are tailored and fit for purpose.

Value-add benefits BDO will offer:

▶ Exceptional Client Service

There is no such thing as a typical audit, even within the local government sector. We will gain an understanding of what is unique about your council and tailor our audit accordingly but with a robust tested approach used with our other council audits.

To enhance our communication and reduce any potential expectation gaps with clients, BDO has adopted a structured reporting system. Effective and timely reporting to Management and the Council is not only important, but a cornerstone of our audit process.

▶ Continuity

BDO enjoys low staff turnover in our audit division arising from a strong internal culture founded on a commitment to continuous development and challenging our people. You can expect our team to be familiar with your organisation's purpose, systems, procedures and staff from year to year.

▶ Industry Experience

We have significant experience working in the Local Government section. This means the people working with you understand the issues you face, and can apply their experience in our work for you.

▶ Value for Money

BDO will continually look for ways to deliver more than what you expect, providing you with value for money and distinct attention to detail.

▶ Use of technology for effectiveness

Technology plays a key role in delivering a highly effective audit. For example, we use our global audit tool to document our work effectively through a suite of data analytics tools to examine data and our online client portal to share files and work seamlessly in real time with you.

Our use of technology enables:

- Consistency in approach and tools across all levels of audit, while continually abiding by legislative requirements
- Effective coordination, as collected information is readily available to all members of your engagement team (anywhere in the world)
- Maximum productivity, as information can be retained easily and is available as reference material for future engagements, optimising the efficiency and thoroughness of our audits.

SCHEDULE 10 - IMPROVEMENT AND INNOVATION

Improvement and Innovation

One of the real benefits of appointing BDO is our wealth of background experience, particularly with Local Government in South Australia, which enables us to provide efficient service whilst also providing valuable industry insight.

BDO and the Adelaide audit service team has an established track record in providing quality audit services to a number of local councils over the last ten years. Several of these councils have chosen to extend their arrangement with us beyond the initial contract period, demonstrating their satisfaction with the assistance we have been able to provide.

Locally the sector has been through significant change over the last five years through the implementation of the audit opinion requirement on internal controls under revised risk based approach, the revised considerations for valuing the assets of Councils under AASB 13 Fair Value Measurement, the first time adoption of AASB 124 amendments to related party disclosures, and most recently AASB 1058 Income of Not for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 16 Leases.

In the upcoming years, the sector will be faced with further financial reporting challenges and we will continue to be well-versed on the challenges facing the sector through our significant practical experience.

To supplement this practical experience we are actively involved with the Local Government Association. We were a founding member of the SA Local Government Auditors Group (SALGAG), set up with the assistance of the LGA. Members of our team attend meetings to ensure the knowledge of issues is spread across our team.

We also attend and present at SA Local Government Financial Management Group conferences enabling us to keep up to date with current issues and trends.

BDO's local government experience is not limited to external audit. Our Advisory team has worked extensively with Councils, including yourself on projects such as

- ▶ Accounting standard application advice
- ▶ Internal audit and assurance
- ▶ Providing business process and control improvement advice
- ▶ Performing strategic performance assessment
- ▶ Undertaking financial assessments
- ▶ Preparing business cases
- ▶ Facilitating service improvement workshops
- ▶ Providing risk management advice.

Through this work, we are able to share experience and trends in the sector through a wider range than just our external audit arrangements. An example of this was in the planning and implementation for the internal controls opinion where we were able to gain an understanding of progress and approach across a wide range of Councils and then deliver that back to our external audit clients through regular discussions and updates.

SCHEDULE 11 - SUSTAINABLE PROCUREMENT

We have been on our sustainability journey for some time, and we're proud to now share our 2022 Sustainability Report—a first for BDO in Australia.

This report looks at the material issues we have identified or addressed in FY22, along with the initiatives we've delivered for our people and clients, the planet, economic prosperity and upholding our governance principles.

Our leaders, globally and locally, consider sustainability to be a growing business imperative. We know there are more initiatives to work on as we move forward. We are committed to further contributing to the advancement of society, the transparency of business, the protection of the planet, and the support of our people.

Our 2022 Sustainability Report can be found [here](#).

SCHEDULE 12 - PRICING

All prices must be listed exclusive of GST

Provide a breakdown of the costs for the Services and/or each type of Service (if applicable) and/or breakdown of fixed and variable costs (if applicable).

The tenderer submits the following schedule of rates (before GST):-

Lump Sum Pricing

The Tenderer's lump sum price (exclusive of GST), over the 5 year period is:

\$145,750

Tenderer to note the initial term of the contract is 3 years and execution of extension options for the next two years are entirely at council's discretion.

Please note that the lump sum amount inserted above should match the breakdown values in next sections.

TABLE A: Annual Pricing

The tenderer submits the following schedule of rates (Exclusive of GST):

Fees for completing the audit, in accordance with the specification of this tender in Number of hours, Total Hours, and Total Cost (\$) in Table A below:

	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Item: Financial Statements - Number of Hours	135	125	125	125	125
Item: Internal Financial Controls - Number of Hours	85	75	75	75	75
Total Hours per annum	220	200	200	200	200
Other fees & disbursements	(*)	(*)	(*)	(*)	(*)
Total Cost to Adelaide Hills Council per annum (\$)	\$27,000	\$27,800	\$29,000	\$30,450	\$31,500

Sum of values above in Table A "Total Cost to Adelaide Hills Council per annum (\$)" should match the amount provided in the Lump Sum Price provided in section 'Lump Sum Pricing'.

TABLE B: Personnel

The tenderer is required to provide the proposed personnel who will be undertaking the audit services as per Table B below:

Personnel	Proposed Number of Hours	Hourly Rate \$	Proposed \$ Value of Work:
Lead Auditor (Partner)	12	\$350	\$4,200
Manager/Director	38	\$285	\$10,830
Senior Auditor Officer	75	\$170	\$12,750
Audit officers	75	\$125	\$9,375
Blended rates			

TABLE C: Schedule of Rates

Personnel	Hourly Rate \$
Lead Auditor (Partner)	\$350
Manager	\$285
Senior Audit Officer	\$165 - \$175
Audit Officers	\$115 - \$135
Blended rates	

(*) The assumptions used in annual fee are as below.

NO.	ASSUMPTIONS
1.	Our fee includes a discount on the standard charge out rates set above reflecting our understanding of pricing in the local government sector.
2.	There are no significant changes to the scope of statutory audit requirements. There are no significant changes to Council's circumstances and operations.
3.	The proposed fee is based on the Council delivering all required information in the agreed timeframe.
4.	Financial statements and notes are prepared by Council's staff in accordance with Local Government (Financial Management) Regulations 2011 and available in the agreed timeframe.
5.	The proposed fee is inclusive of 2 acquittal audits. Any additional acquittal audits will be conducted at the price of \$1,000 each.
6.	The proposed fee is based on our plan to conduct 4 days on-site for each planning and final audit visit with all other work to be completed remotely. Out-of-pocket expenses in relation to our site visits will be disbursed to the Council based on actual cost incurred.
7.	Our fee does not include travel costs. Reimbursement for staff travel to Council's office will be based on the cents per kilometre method determined annually by the Fair Work Ombudsman in relation to the Clerks-Private Sector Award 2010 (currently \$0.78 per kilometre for 2021/2022).

APPENDIX 1 - CVS



GEOFF EDWARDS **Partner, Audit**

Geoff is an Audit Partner with BDO in South Australia. He is focused on quality and appreciated by his clients for ensuring their policies and procedures are similarly driven.

Geoff specialises in audit and corporate services. He has experience with financial modelling, particularly in large and complex financing proposals, and providing technical financial reporting advice to clients.

Geoff has over 20 years experience in England and Australia, with both large and mid-tier firms. He joined BDO in 2013, upon the merger with another firm. Prior to this, Geoff was a Partner with PKF and Director with Deloitte in Adelaide.

Services

- ▶ External audit
- ▶ Internal audit
- ▶ Risk assessment
- ▶ Fraud investigations
- ▶ Financial accounting & reporting
- ▶ Due diligence
- ▶ Compliance reviews

Sectors

- ▶ Manufacturing
- ▶ Financial services
- ▶ Natural resources
- ▶ Senior living
- ▶ Agribusiness (including wine)
- ▶ Listed companies
- ▶ Utilities
- ▶ Not-for-profit
- ▶ Government & public sector

Qualifications & Affiliations

- ▶ Chartered Accountant (Australia, England & Wales)
- ▶ Registered Company Auditor
- ▶ Diploma, Accounting Studies
- ▶ Member, Chartered Accountants Australia & New Zealand

geoff.edwards@bdo.com.au
Direct: +61 8 7324 6061
Mobile : +61 419 037 828

BDO
BDO Centre
Level 7
420 King William Street
Adelaide SA 5000

Tel: +61 8 7234 6000
Fax: +61 8 7234 6111
www.bdo.com.au



LINH DAO

Associate Director, Audit National IFRS & Corporate Reporting

Linh is an Associate Director in the Adelaide Audit team, with 15 years' experience gained both domestically and internationally, including Singapore, Vietnam and the UK. She is also the Adelaide representative on BDO's International Financial Reporting Standards (IFRS) team.

Linh's outstanding technical skills are coupled with a pragmatic approach to problem solving and a deep interest in the issues and challenges her client's face, which sees her quickly build close and effective working relationships.

Among Linh's diverse client base are ASX listed, public non-listed and private companies, State Government, local councils and a wide range of not-for-profit organisations. She provides support to senior management and boards, delivering advice on accounting, corporate governance, risk management and business strategy matters.

Expertise summary

- ▶ External audit
- ▶ Financial accounting & reporting (AASB and IFRS)
- ▶ Financial due diligence
- ▶ Internal audit
- ▶ Statutory reporting

Industry expertise

- ▶ ASX listed (Technology, Media & Telecommunications, and Health)
- ▶ Property and construction
- ▶ Health and aged care
- ▶ Tourism and hospitality
- ▶ Manufacturing
- ▶ Automotive
- ▶ Government and semi-government bodies
- ▶ Natural resources

Qualifications

- ▶ Bachelor of International Business
- ▶ Master of Professional Accountancy
- ▶ Member, Chartered Accountants Australia & New Zealand
- ▶ Register Company Auditor

linh.dao@bdo.com.au
Direct: +61 8 7324 6147

BDO
BDO Centre
Level 7
420 King William Street
Adelaide SA 5000

Tel: +61 8 7234 6000
Fax: +61 8 7234 6111
www.bdo.com.au

APPENDIX 2 - INSURANCE CERTIFICATES



CERTIFICATE OF CURRENCY **EFFECTED THROUGH HOWDEN INSURANCE BROKERS LIMITED**

Name of Insured: BDO Group Holdings Limited and as more fully set out herein and in Schedule referenced P21A320053PAS1

Insured's Business: Accountants (as more fully described in the Proposal Form)

Class of Business: Professional Indemnity Insurance

Policy Number: P21A320053PA, P21A320053PB, P21B320053P and P21C320053P.

Policy Period: From: 4.00pm 30 October 2021
To: 4.00pm 30 October 2022

Limit of Indemnity: AUD30,000,000 each Claim or loss

Policy Wording: BDO (AUS) ACCTS2021 Professional Indemnity Insurance Policy Wording and as set out in the Schedules referenced P21A320053PAS2

Underwriter: Certain Underwriters at Lloyd's of London and various Insurance Companies

Signed:


Chris Wright
Executive Director


Leigh Ferris
Divisional Director

Issuing Office: Howden Insurance Brokers Limited
One Creechurch, London EC3A 5AF

Date: 28th October 2021

For full details of this insurance please refer to the Policy Documentation.

Broker at  One Creechurch Place London EC3A 5AF • T: +44(0)20 7623 3806 • www.howdengroup.com

Howden is a trading name of Howden Insurance Brokers Limited, part of the Howden Group. Howden Insurance Brokers Limited is authorised and regulated by the Financial Conduct Authority FRN 309639 in respect of general insurance business and also licensed by the Jersey Financial Services Commission, reference number GIMB0235, as an insurance intermediary for general insurance business. Registered in England and Wales under company registration number 725975. Registered Office: One Creechurch Place, London EC3A 5AF. Calls may be monitored and recorded for quality assurance purposes.

24589177

P21A320053PAS1 SCHEDULE OF ADDITIONAL INSURED

DETAILS OF THE PROPOSER: BDO Group Holdings Limited and Related Entities

CURRENT ENTITIES

BDO Administration Pty Ltd
BDO Administration (SA) Pty Ltd
BDO Advisory (SA) Pty Ltd
BDO Audit Goodwill Pty Ltd
BDO Audit Goodwill Co. Pty Ltd
BDO Audit Partnership (SA)
BDO Audit Pty Ltd
BDO Audit (SA) Pty Ltd
BDO CAPS Pty Ltd ATF Evalumatics Unit Trust
BDO Corporate Finance Ltd
BDO Corporate Finance (East Coast) Pty Ltd
BDO Corporate Finance (SA) Pty Ltd
BDO Corporate (SA) Pty Ltd
BDO Business Restructuring Pty Ltd
BDO East Coast Partnership
BDO Digital (SA) Pty Ltd
BDO Finance Solutions (SA) Pty Ltd
BDO Group Finance Pty Ltd
BDO Group Holdings Limited
BDO Holdings (SA) Pty Ltd
BDO Industrial & Organisational Psychology (SA) Pty Ltd
BDO Kendalls Holdings Limited ATF The BDO Kendalls Group Trust
BDO Lead APJ Pty Ltd
BDO Nominees Pty Ltd
BDO Private Wealth Advisers (East Coast) Pty Ltd
BDO Private Wealth Advisers (SA) Pty Ltd
BDO Processing Hub (AUST) Pty Ltd
BDO Professional Practices Network (East Coast) Pty Ltd
BDO RSE Services Pty Ltd
BDO SA
BDO (SA) Pty Ltd
BDO Services (East Coast) Pty Ltd
BDO Services (East Coast) Pty Ltd ATF York Unit Trust
BDO Services Pty Ltd
BDO Superannuation Solutions (East Coast) Pty Ltd
BDO Transaction Services (East Coast) Pty Ltd
Acceler8 Pty Ltd
Consolid8 Group Pty Ltd
Consolid8 Pty Ltd
Frome Street Assurance Services (SA) Pty Ltd
Frome Street Business Advisors Pty Ltd
Frome Street Services (SA) Pty Ltd
Japara Nominees Pty Ltd
Panker Nominees (NSW) Pty Ltd
Panker Nominees (NSW) Pty Limited ATF Angophora Discretionary Trust

Broker at **LLOYDS** One Creechurh Place London EC3A 5AF • t: +44(0)20 7623 3806 • www.howdengroup.com

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Date of Issue: 30 March 2022

CERTIFICATE OF INSURANCE

This certificate does not reflect in detail the policy terms or conditions and merely provides a very brief summary of the insurance that is, to the best of our knowledge, in existence at the date we have issued this certificate. If you wish to obtain details of the policy terms, conditions, restrictions, exclusions or warranties, you must refer to the policy contract.

This document certifies that the policy referred to below is currently intended to remain in force until 4.00pm on the expiry date shown and will remain in force until that date, unless the policy is cancelled, lapsed, varied or otherwise altered in accordance with relevant policy conditions or the provision of the "Insurance Contracts Act 1984".

The Insured: BDO Group Holdings Limited, BDO Audit Pty Ltd, BDO Services Pty Ltd
BDO Business Restructuring Pty Ltd, Consolid8 Group Pty Ltd, Consolid8 Pty Ltd
Acceler8 Pty Ltd, BDO Corporate Finance Ltd, BDO Administration Pty Ltd
BDO Private Wealth Advisers Pty Ltd, BDO CAPS Pty Ltd, BDO Group Finance Pty Ltd
BDO Nominees Pty Ltd, BDO Lead APJ Pty Ltd, BDO Migration Services Pty Ltd
BDO Corporate Finance (East Coast) Pty Ltd, BDO Services (East Coast) Pty Ltd
BDO Administration (SA) Pty Ltd, BDO Advisory (SA) Pty Ltd, BDO Audit (SA) Pty Ltd, BDO Audit Partnership (SA), BDO Corporate Finance (SA) Pty Ltd, BDO Finance Solutions (SA) Pty Ltd, BDO Organisation Development (SA) Unit Trust, BDO Industrial & Organisational Psychology Pty Ltd, BDO Holdings (SA) Pty Ltd, Japara Nominees Pty Ltd

Insurance Company: Chubb Insurance

Policy Number: 04CL010697

Class of Risk: Public & Products Liability

Covering: All amounts which the Insured becomes legally liable to pay as compensation for Personal Injury or Property Damage caused by an occurrence in connection with The insured's business

Limit of Liability:

Public Liability	\$20,000,000	Any One Occurrence
Products Liability	\$20,000,000	Any One Period of Insurance

Locations: Levels 8-13 & 15/12 Creek St, Brisbane 4000
Level 3/2 Maroochy Boulevard, Maroochydore 4558
26D Coomburra Cres, Ocean Shores NSW 2483
Level 5 Hypercentre 50-56 Sanders Street, Upper Mt Gravatt 4122
11/1 Margaret Street, Sydney NSW 2000
Tower 4, 727 Collins Street, Docklands VIC 3008
Suite 12.02 Level 12/32 Smith Street, Paramatta NSW 2150
Level 5-7 BDO Centre 420 King William Street, Adelaide SA 5000
Ground Floor 422 King William Street, Adelaide SA 5000
265 Main Road, McLaren Vale SA 5171

Period of Insurance:

From	31 st March, 2022	
To	31 st March, 2023	At 4:00pm AEST

CITYCOVER (AUST) PTY LTD T/AS AUSTBROKERS COMSURE

Please direct enquiries to: *Liz Walker*

Disclaimer

In arranging this Certificate, we do not guarantee that the insurance outlined will continue to remain in force for the period referred to as the policy may be cancelled or altered by either party to the contract at any time in accordance with the terms and conditions of the policy or the terms of the Insurance Contracts Act. We accept no responsibility or liability to advise any party who may be relying on this certificate of such alteration to or cancellation of the policy of insurance, subject to payment in full.

OFFICIAL: Sensitive



Certificate of registration

Return to Work Act 2014

Employer number 31123908
Employer name BDO ADMINISTRATION PTY LTD
Trading name BDO ADMINISTRATION PTY LTD

Date of issue: 23 June 2022

Statement of coverage valid until 30 June 2023

This employer is registered as an employer under the *Return to Work Act 2014* (the Act).

BDO ADMINISTRATION PTY LTD is registered from 30/11/2020.

The information provided in this Certificate of registration is correct at the date of issue.

Important information

A certificate of registration is issued in South Australia to certify that an employer is registered under the Act. This certification is valid until 30 June 2023 or until BDO ADMINISTRATION PTY LTD ceases to be an employer who is required to be registered under the Act.

If there are any errors on this form, please inform ReturnToWorkSA within 30 calendar days. If you do not do this, under section 165(6) of the Act a maximum penalty of \$5,000 may apply.

A copy of this certificate must be produced within 30 days where requested by a person authorised under section 165(8) of the Act. A maximum penalty of \$1,000 under section 165(3) of the Act may apply.

A person who fraudulently alters a certificate of registration issued under section 165 of the Act is guilty of an offence. A maximum penalty of \$25,000 under section 165(5) of the Act may apply.

If you require any further assistance or information, please contact ReturnToWorkSA on 13 18 55 or by email to info@rtwsa.com.

ReturnToWorkSA

400 King William Street Adelaide SA 5000 • GPO Box 2668 Adelaide SA 5001 • ABN 83 687 563 395

General Enquiries 13 18 55 • www.rtwsa.com

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APPENDIX 3 - COPY OF AUDITOR REGISTRATION

Certificate of Registration as an Auditor

Corporations Act 2001 Subsection 1280(5)

Registered Number: 322799

This is to certify that

GEOFFREY KEITH EDWARDS

was on the 13th day of June 2008 registered as an auditor under subsection 1280(2) of the Corporations Act 2001 subject to the conditions contained in the attached schedule.

Dated the 13th day of June 2008.

Issued by the Australian Securities and Investments Commission



Anthony Michael D'Aloisio
Chairman

Certificate of Registration as an Auditor

Corporations Act 2001 Subsection 1280(5)

Registered Number: 510025

This is to certify that

LINH DIEP DAO

was on the 7th day of August 2018 registered as an auditor under subsection 1280(2) of the Corporations Act 2001 subject to the conditions contained in the attached schedule.

Dated the 7th day of August 2018.

Issued by the Australian Securities and Investments Commission



James Shipton
Chair

1300 138 991
www.bdo.com.au

NEW SOUTH WALES
NORTHERN TERRITORY
QUEENSLAND
SOUTH AUSTRALIA
TASMANIA
VICTORIA
WESTERN AUSTRALIA

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Appendix 3

Audit Committee Terms of Reference

ADELAIDE HILLS COUNCIL
Audit Committee



TERMS OF REFERENCE
Effective from 1 September 2017

1. ESTABLISHMENT

- 1.1 The Audit Committee (the Committee) of Council is established under Section 41 of the *Local Government Act 1999* (the Act), for the purposes of Section 126 of the Act and in compliance with regulation 17 of the *Local Government (Financial Management) Regulations 2011*.
- 1.2 The Audit Committee does not have executive powers or authority to implement actions in areas which management has responsibility and does not have any delegated financial responsibility. The Audit Committee does not have any management functions and is therefore independent from management.

2. ROLE

- 2.1 The overall role of the Audit Committee will be to assist Council to accomplish its objectives by monitoring and providing advice on the adequacy and effectiveness of the systems and processes regarding financial management and reporting, internal control and risk management, internal audit and governance functions through the following functions:

3. SPECIFIC FUNCTIONS

- 3.1 Financial Reporting and Prudential Requirements

The Committee shall:

- 3.1.1 Provide comment on the assumptions underpinning Council's Strategic Management Plans (Strategic Plan, Annual Business Plan and Budget and Long Term Financial Plan), the consistency between plans and the adequacy of Council's plans in the context of maintaining financial sustainability;
- 3.1.2 Review and provide advice to Council on the degree to which the annual financial statements present fairly the state of affairs of the Council;
- 3.1.3 Monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain.;
- 3.1.4 Review and challenge where necessary:
- 3.1.4.1 The consistency of, and/or any changes to, accounting policies;
- 3.1.4.2 The methods used to account for significant or unusual transactions where different approaches are possible;
- 3.1.4.3 Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

3.1.4.4 The clarity of disclosure in the Council's financial reports and the context in which statements are made; and

3.1.4.5 All material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management);

3.1.5 Review prudential reports prepared under Section 48(1) of the Act and provide advice to Council, upon request, on other prudential matters.

3.2 Internal Controls and Risk Management Systems

The Committee shall:

3.2.1 Ensure that appropriate policies, practices and procedures of internal control (and other financial and risk management systems) are implemented, reviewed and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives;

3.2.2 Review Council's risk management framework and monitor the performance of Council's risk management program;

3.2.3 Monitor the corporate risk profile and significant risk exposures for the organisation to ensure that there are appropriate management plans to manage and mitigate this business risk; and

3.2.4 Ensure an appropriate legislative compliance framework exists to identify risks and controls over compliance with applicable legislation and regulations.

3.3 Whistle blowing

The committee shall:

3.3.1 Review annually the Council's Whistleblower Protection Policy

3.3.2 Provide recommendations to Council regarding the Whistleblower Protection Policy to ensure that:

3.3.2.1 There are adequate arrangements for Council employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and

3.3.2.2 The policy allows independent investigation of such matters and appropriate follow-up action in a manner that is in accordance with the Independent Commissioner Against Corruption Act 2012 and Regulations 2013.

3.4 Internal Audit

The Committee shall:

- 3.4.1 Monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system;
- 3.4.2 Consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
- 3.4.3 Review all reports on the Council's operations from the internal auditors;
- 3.4.4 Review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and
- 3.4.5 Where appropriate, meet the "head" of internal audit (internal or outsourced) at least once a year, without management being present, to discuss any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the Principal Member of the Council and to the Presiding Member of the committee.

3.5 External audit

The Committee shall:

- 3.5.1 Consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- 3.5.2 Oversee Council's relationship with the external auditor including, but not limited to:
 - 3.5.2.1 Recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 3.5.2.2 Recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - 3.5.2.3 Assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
 - 3.5.2.4 Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);

- 3.5.2.5 Monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
 - 3.5.2.6 Assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the audit committee's own internal quality procedures);
 - 3.5.3 Meet as needed with the external auditor. The Committee shall meet the external auditor at least once a year, without management being present; to discuss the external auditor's report and any issues arising from the audit;
 - 3.5.4 Review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement;
 - 3.5.5 Review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
 - 3.5.5.1 a discussion of any major issues which arose during the external audit;
 - 3.5.5.2 any accounting and audit judgements; and
 - 3.5.5.3 Levels of errors identified during the external audit. The committee shall also review the effectiveness of the external audit.
 - 3.5.6 Review any representation letter(s) requested by the external auditor before they are signed by management;
 - 3.5.7 Review the management letter and management's response to the external auditor's findings and recommendations.
- 3.6 Economy and Efficiency Audits
- The Committee shall:
- 3.6.1 Propose and review the exercise of powers under Section 130A of the Act; to examine and report on any matter relating to financial management, or the efficiency and economy with which the council manages or uses its resources to achieve its objectives,
- 3.7 Service Improvement
- The Committee shall:
- 3.7.1 Monitor the benefits achieved through Council's Service Improvement Program with a focus on efficiency and effectiveness.

4. OTHER MATTERS

The Committee shall:

- 4.1 Have access to reasonable resources in order to carry out its duties, recognising the constraints within Council's Budget;
- 4.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 4.3 Give due consideration to laws and regulations of the Act;
- 4.4 Make recommendations on co-ordination of the internal and external auditors;
- 4.5 Oversee any investigation of activities which are within its terms of reference;
- 4.6 Oversee action to follow up on matters raised by the external and internal auditors;
- 4.7 Invite Council's external auditors and internal auditors to attend meetings of the Committee, as considered appropriate; and
- 4.8 At least once in its term, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.

5. MEMBERSHIP

- 5.1 The Committee will comprise 5 members as follows:
 - 5.1.1 Three (3) Independent Members; and
 - 5.1.2 Two (2) Council Members
- 5.2 All members of the Committee will be appointed by the Council.
- 5.3 Independent Member(s) of the Committee shall have recent and relevant skills and experience in professions such as, but not limited to accounting, financial management, risk management, law, compliance, internal audit and governance.
- 5.4 It is desirable for the Council Members to be appointed to the Committee to have a sound understanding of financial management, risk management and governance.
- 5.5 In considering appointments to the Committee, Council should give consideration to the diversity of the membership.
- 5.6 Appointments to the Committee shall be for a period of up to three (3) years.
- 5.7 Members of the Committee are eligible for reappointment at the expiration of their term of office.
- 5.8 The terms of appointment of the Independent Members should be arranged to ensure the orderly rotation and continuity of membership despite changes to the composition of the Council.

6. SITTING FEES

- 6.1 The applicable Remuneration Tribunal (or its successor) Determination outlines the applicable allowance for Council Members on the Committee.
- 6.2 The Independent Members are to be paid a sitting fee as determined by Council for attendance at meetings and authorised training sessions. Council may determine a higher sitting fee for the presiding member.

7. PRESIDING MEMBER

- 7.1 The Council will appoint the Presiding Member of the Committee.
- 7.2 The Council authorises the Committee to determine if there will be a Deputy Presiding Member of the Committee and, if so, authorises the Committee to make the appointment to that position for a term determined by the Committee.
- 7.3 If the Presiding Member of the Committee is absent from a meeting the Deputy Presiding Member (if such position exists) will preside at that meeting. If there is no position of Deputy Presiding Member, or both the Presiding Member and the Deputy Presiding Member of the Committee are absent from a meeting of the Committee, then a member of the Committee chosen from those present will preside at the meeting until the Presiding Member (or Deputy Presiding Member, if relevant) is present.
- 7.4 The role of the Presiding Member includes:
 - 7.4.1 overseeing and facilitating the conduct of meetings in accordance with Act and the *Local Government (Procedures at Meetings) Regulations 2013* (the Regulations);and
 - 7.4.2 Ensuring all Committee members have an opportunity to participate in discussions in an open and encouraging manner.

8. REPORTING RESPONSIBILITIES

- 8.1 For the purposes of Section 41(8) of the Act, the Committee's reporting and accountability requirements are:
 - 8.1.1 The minutes of each Committee meeting will be included in the agenda papers of the next ordinary meeting of the Council;
 - 8.1.2 The Presiding Member will attend a meeting of the Council at least once per annum to present a report on the activities of the Committee;
 - 8.1.3 The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its terms of reference where in its view action or improvement is needed; and
 - 8.1.4 The Presiding Member may attend a Council meeting at any time that the Presiding Member sees fit to discuss any issue or concern relating to the Committee's functions. Depending on the nature of the matter, this may be held in confidence in accordance with Section 90 of the Act and staff may be requested to withdraw from the meeting.

9. MEETING PROCEDURE

- 9.1 Meeting procedure for the Committee is as set out in the Act, Parts 1, 3 and 4 of the Regulations. Insofar as the Act, the Regulations, or these Terms of Reference do not prescribe the procedure to be observed in relation to the conduct of a meeting of the Committee, the Committee may determine its own procedure.
- 9.2 In accordance with Section 90(7a), one or more Committee members may participate in the meeting by telephone or other electronic means provided that members of the public can hear the discussion between all Committee members.
- 9.3 Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision.
- 9.4 Council Employees may attend any meeting as observers or be responsible for preparing papers for the committee.

10. SECRETARIAL RESOURCES

- 10.1 The Chief Executive Officer shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

11. FREQUENCY OF MEETINGS

- 11.1 The Committee shall meet at least four times a year at appropriate times and places as determined by the Committee. A special meeting of the Committee may be called in accordance with the Act.
- 11.2 If after considering advice from the CEO or delegate, the Presiding Member of the Committee is authorised to cancel the respective Committee meeting, if it is clear that there is no business to transact for that designated meeting.

12. NOTICE OF MEETINGS

- 12.1 Notice of the meetings of the Committee will be given in accordance with Sections 87 and 88 of the Act. Accordingly, notice will be given:
- 12.1.1 To members of the Committee by email or as otherwise agreed by Committee members at least 3 clear days before the date of the meeting; and
- 12.1.2 To the public as soon as practicable after the time that notice of the meeting is given to members by causing a copy of the notice and agenda to be displayed at the Council's offices and on the Council's website.

12.2 PUBLIC ACCESS TO MEETINGS & DOCUMENTS

- 12.3 Members of the public are able to attend all meetings of the Committee, unless prohibited by resolution of the Committee under the confidentiality provisions of Section 90 of the Act.
- 12.4 Members of the public have access to all documents relating to the Committee unless prohibited by resolution of the Committee under the confidentiality provisions of Section 91 of the Act.

13. MINUTES OF MEETINGS

- 13.1 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of the Regulations.
- 13.2 Minutes of Committee meetings shall be circulated within five days after a meeting to all members of the Committee and will (in accordance with legislative requirements) be available to the public.

3. External Audit Tender – Duration of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council’s decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 10.1 in confidence under sections 90(2) and 90(3)(d) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

Item	Duration of Confidentiality NB: Item to be reviewed every 12 months if not released
Report	31 December 2024
Related Attachments	31 December 2024
Minutes	Until Council has appointed an External Auditor for the 30 June 2023 financial year.
Other (presentation, documents, or similar)	NIL

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.