

LINDSAY DELAHAUNTY CONSULTING

AUDIT REPORT ON THE CITY OF BUSSELTON COMPLIANCE RETURN 2015

Introduction

The period covered by this return is from 1st January 2015 to 31st December 2015. Questions are set by the Department of Local Government and Community, as part of a self-assessment process on compliance standards maintained by the City, under various legislative processes prescribed by the Local Government Act 1995 and various Regulations during a given calendar year.

The questions listed in the compliance return provided by the Department have been responded to by designated council staff responsible for the actions required to comply with the appropriate legislation.

Brief

This Audit is required to review the appropriateness of responses provided in the return and inspect any supporting documentation and Registers to ensure the action taken is appropriate, accurate and meets the requirements of the legislation.

General comments on the Return

The responses supplied in the draft return were found to be accurate, timely and demonstrated correct interpretation of the relevant legislation. The supporting registers and documentation were found to be of a high standard and recorded relevant information. The writer of this report was suitably impressed with the enthusiasm and knowledge displayed by the staff and the high standard of records inspected.

The Compliance Return supplied by the Department of Local Government and Communities for 2015 covered the following areas of the Act:-

- Commercial Enterprises by Local Government;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;
- Finance;
- Local Government Employees;
- Official Conduct;
- Tenders for providing Goods and services.

The Audit was carried out on site on Thursday 3rd March 2016 with some preliminary and post work carried out online, leading to the preparation of this report. All supporting documentation was readily made available during the Audit and explanations provided where required.

Details of the areas covered by the Audit are elaborated on in the following information.

Commercial Enterprises by Local Government

The only occasion the City was required to comply with section 3.59 of the Act was the preparation of a detailed business plan on the “Busselton Regional Airport Redevelopment”. This plan was approved by the Council and advertised for public comment in the West Australian newspaper on 8th July 2015.

The Council resolved by absolute majority to proceed with the project at its meeting on the 26th August 2015. Work on the project is still ongoing.

Delegation of Power and Duty

All delegations undertaken by the Council to Committees and the CEO were made in accordance with the Act and correctly recorded. The Council reviewed all delegations at its Council Meeting held 6th June 2015 in accordance with sections 5.18 & 5.42.

The CEO did “on-delegate” some decisions to be made by other senior staff which was in writing and recorded in the register accordingly.

When decision making was made on behalf of the Council it was duly reported and a public record maintained.

It is noted that the Council adopted revised governance arrangements and terms of reference for the Meelup Regional Park Management committee at its meeting held 14th October 2015 (C1510/294 and C1510/296). This decision was not carried by absolute majority as required, due to a human error in the report presented to the Council. The motion was fortunately carried 8/1 which would have met the absolute majority requirements had that been requested. This matter should be rectified when the Council undertakes its annual review of delegations in June 2016.

Disclosure of Interest

During the year under review there were limited occasions where financial or impartiality interest was declared. All conditions laid down under the Act were complied with and recorded accordingly.

All members and required staff have delivered annual returns within the prescribed time frame, signifying their ongoing or new interests for the period under review. These returns have been filed in a register and were viewed during the Audit.

Primary returns were also received from three new members elected in October 2015 in the time frame prescribed.

Having viewed the register of interest it was apparent there is a clear understanding of the legislative requirements in this area by both members and staff.

In accordance with section 5.103 of the Act and regulation 34b the CEO has maintained a register of all gifts received by members and staff. There is clear evidence of diligent compliance with the City's adopted policy, due mainly to the growing number of events promoted and sponsored by the City.

Disposal of Property

There were four occasions the City gave consideration to lease property.

- Jet Fuel Facility at Busselton Regional Airport;
- Commercial Lease at the Geographe Leisure Centre;
- Appleshak Café at the Geographe Leisure Centre;
- Health Suite at the Geographe Leisure Centre.

In accordance with section 3.58 these proposals were all advertised in the local paper.

Elections

The bi-annual General Election was conducted by the State Electoral Commission in October 2015. The CEO did establish an electoral gift register; however no record of gifts was recorded by candidates participating in the election.

Finance

The Council established an Audit Committee in accordance with the Act and delegated powers to that committee under Part 7 of the Act at its meetings held 14th and 19th October 2015 (C1510/294 & C1510/275).

The Council appointed registered auditors Mr Tim Partridge (2256398) and Mrs Maria Cavallo (308235) from AMD Chartered Accountants, at its meeting held 9th October 2013 (C1310/265) for a period of 5 years and was carried by absolute majority.

The Annual Audit Report was received by the Council on 1st October 2015 with no major issues being listed for action.

The audit objectives, scope, and plan had been previously agreed to by the Council on the 4th November 2013.

Local Government Employees

Due to no recruitment requirements arising during this period for CEO or Designated Senior Employees there was no action required in this area.

Official Conduct

In accordance with section 5.120 of the Act, the Director of Finance and Corporate Services was appointed Official Complaints Officer. Fortunately he was not required to act in this capacity as there was no official complaint received during the period under review. The Audit was able to review the Complaints Register and confirms it is correctly maintained.

Tenders for providing goods and services

During the period under review there were numerous occasions where the Council was required to call tenders for the provision of goods and services. On all occasions State wide public notice was given and correct procedures followed as prescribed in section 3.57 of the Act and the Functions and General Regulations.

The Tender Register was reviewed during the audit and found to be maintained in accordance with the Act and Regulation provisions.

It was noted that during the year the regulations were amended to lift the level requirement to go to tender from \$100,000 to \$150,000. The City has continued to work with the \$100,000 level for the period and will soon be putting a report to the Council to consider a policy amendment to \$150,000.

The Council does have an existing Regional Pricing Policy adopted by the Council in 2010 (C1012/415) and was complied with during the period under review.

Only on one occasion did the City call for Expressions of interest; and that was for the construction of a new administration and civic building. In accordance with regulation 21 & 22 of the Functions and General Regulations, a short list was formed before going to tender. This was appropriately recorded in the Tender Register.

Although the City did advertise Statewide (RFT06/15) to establish an Engineering Consultancy Panel it decided to not proceed with the formation of same and notified applicants accordingly. This action is in accordance with Functions and General Regulations.

Conclusion

During the course of the audit I reviewed various registers and supporting documentation. This has demonstrated that a correct interpretation exists at the City, of the various provisions of the Local Government Act and Regulations fostering a desirable culture of compliance.

All of the Council Records viewed during the audit have been well maintained and found to be accurate and of a high standard.

Lindsay Delahaunty FLGMA; FAIM
Dated 8th March 2016.