

Item No: 8.1

File No: 9.14.1.6

Date: 28 January 2021

Attachment: A, B, C, D, E

Meeting: Audit Committee

Title: Evaluation & Appointment of External Financial Auditor 2021-2023

Responsible Manager: Group Manager Corporate Services, Monique Palmer

Author: Group Manager Corporate Services, Monique Palmer

Type of Report: **Decision Required**

Pursuant to Section 83(5) of the *Local Government Act 1999*, the Chief Executive Officer indicates that the matter contained in this report may, if the Audit Committee so determines, be considered in confidence pursuant to Section 90(2) of the *Local Government Act 1999* on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(k) of the Act being tenders for the the provision of services.

Recommendation (Public)

Pursuant to s90(3)(k)

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit Committee orders that all members of the public except, Acting Chief Executive Officer Danielle Garvey, Group Manager Corporate Services Monique Palmer, Business Analyst (Property & Contracts) Scott Reardon and the Council Secretariat be excluded from attendance at the meeting for Agenda Item 8.1 Evaluation & Appointment of External Financial Auditor 2021-2023 report

The Audit Committee is satisfied that, pursuant to section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda Item are tenders for the provision of external auditor services.

The Audit Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because Council has not yet made a decision in relation to this matter, and the legal advice and is subject to professional privilege.

Recommendation (Confidential)

1. That the Committee receive and note the Evaluation & Appointment of External Financial Auditor 2021-2023 report.
2. That the Committee recommend to Council thatbe appointed as Council's External Auditor for the period of three (3) years, with an option of a further period of up to two (2) additional financial years.

Recommendation (Confidential)

Pursuant to s.91(7)

That having considered Agenda Item 8.1 Evaluation & Appointment of External Financial Auditor 2021-2023 in confidence under section 90(2) and 90(3)(k) of the *Local Government Act 1999*, the Audit Committee pursuant to section 91(7) of that Act orders that the report, attachments and minutes relevant to this Agenda Item be retained in confidence for 12 months or until the matter has been

finalised by Council and the tenderers have been duly notified of Council's decision

and

That the Audit Committee resolves to end its confidential deliberations pursuant to Section 90(2) of the *Local Government Act 1999* and re-admit the public.

Purpose of Report

To provide members of the Audit Committee with relevant information and the tender evaluation matrix to assess and determine the preferred provider for Council's External Audit Services Tender.

Background / Description

At their ordinary meeting of 3 February 2020, the Audit Committee received and noted the 'Tender External Auditor report, where they moved:

AC27/19-20

1. *That the Audit Committee receives and notes the tender process for the appointment of Council's External Auditor.*
2. *That the Audit Committee recommends to Council that the Audit Committee review the draft tender evaluation matrix and draft scope of works prior to the tender process proceeding to market and that the Audit Committee is involved in the selection process.*

At their Ordinary Meeting of 17 February 2020 Council resolved:

CNC291/19-20

That Council receives and notes the Audit Committee minutes for the meeting convened on 3 February 2020.

At Audit Committee 26 October 2020 resolved.

AC12/20-21

That the Audit Committee receives and notes the Request for Tender – Provision of External Auditing Services report subject to the following amendments:

- *Being a licenced an accredited auditor to be mandatory and not rated as part of the assessment matrix.*
- *That an open tender be conducted.*
- *The tender template be reviewed and areas which are not applicable to an audit tender be removed.*

Key Issues for Consideration

External Financial Auditor

The role of Council's External Financial Auditor is to provide an independent audit opinion of the accounts and annual financial reports of the Council for each financial year covered by the term of the audit appointment, that being the financial years 2020/21 to 2022/23.

The audit is to be conducted pursuant to the *Local Government Act 1999*, with the objective of expressing an opinion on the financial statements. The audit is to be conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The procedures used will include examination on a test basis, of evidence

supporting policies and significant accounting estimates.

These procedures will be undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the Local Government Act, 1999 and related Regulations so as to present a view which is consistent with the Auditor's understanding of the Council's financial position, the results of its operations and its cash flows.

2020 Request For Tender (RFT)

Following the Audit Committee resolution **AC12/20-21** Administration conducted an RFT process between 2 November 2020 and 25 November 2020 (inclusive). At the conclusion of the RFT two (2) submissions were received from the following companies:

1. UHY Haines Norton
2. BDO

Administration along with the Audit Committee will conduct an evaluation of any/all submissions received in accordance with Council evaluation practices, then will prepare a Confidential Report outlining the findings for Councils consideration.

The evaluation criteria was allocated to what was considered the most important elements of the tender. The weighting and justification are as follows:

| Evaluation Criteria | Weighting | Justification |
|-----------------------------|-------------|---|
| 1. Pricing | 25% | Cost; Value for money |
| 2. Timeframes | 10% | Demonstrated ability and experience to deliver in timeframe project schedules |
| 3. Capability/ Capacity | 25% | Financial capacity & insurance; Organisation Resources; Understanding requirements; knowing of the industry; methodology |
| 4. Performance | 20% | Factors to consider: Current Work, Previous Work, Previous Local Government Experience, Mechanisms for Monitoring Contractual Performance, Industrial Relations, OHS&W etc. |
| 5. Value Add | 20% | Factors to consider: Quality of service, Value Add, Improvement, Licence & Accreditation etc. |
| Total Weighted Score | 100% | |

Summary of the submissions is as follows:

| Firm | UHY Haines Norton | BDO |
|--|---|--|
| Compliance to Tender Specification | Yes | Yes |
| Principal Auditor | Chris Leggett Darren Laarhoven | Andrew Tickle Chelsea Aplin |
| 2020-2021 FY | \$21,000 | \$24,000 |
| Annual increase | Nil | 3% |
| Additional Audits (e.g. Workers Compensation, Super, Acquittals) | Not stated | \$800 each |
| Current Contracts | City of Salisbury- Credit Card Audit | External Auditor - Adelaide City Council City of Onkaparinga City Of West Torrens City of Norwood, Payneham & St Peters City of Tea Tree Gully City of Playford |

The External Audit Budget for 2020-2021 is \$20,000. This means all submissions are above our current budget allocation which will require a change to include in April budget review 3.

Attachment/s

| | |
|--------------|------------------------------|
| Attachment A | External Auditor |
| Attachment B | Section E – External Auditor |
| Attachment C | Evaluation Matrix |
| Attachment D | UHY Tender Application |
| Attachment E | BDO Tender Application |

RELEASED

ATTACHMENT A



The Corporation of the Town of Walkerville

Tender for the

**Provision of External Audit
Services for 2020-21 to 2022-23**

COR002-20/21

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| | |
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| Schedule 14 | Statement of Conformity |

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1. **Structure of this RFT**

This RFT is comprised of (5) five sections, being:

- 1.1 Section A - Background and General Information to Tenderers
- 1.2 Section B - Conditions of Tendering
- 1.3 Section C - Specifications
- 1.4 Section D - Draft Contract for Professional Services
- 1.5 Section E - Tender Response Schedules (Separate Attachment)

RELEASED

2. Section A – Background & General Information

- 2.1 The Corporation of the Town of Walkerville (**Council**) invites tenders from Tenderers for the Provision of External Audit Services (**Services**). The Council will enter into a Contract for Services with the successful Tenderer.
- 2.2 Council is seeking to appoint the successful Tenderer for a period of three (3) consecutive financial years for the purpose of independently auditing Council's accounts and annual financial reports, and internal financial controls for the 2020/21, 2021/22 and 2022/23 financial years. The audit must meet both statutory requirements and Australian audit standards.
- 2.3 A full scope of the services requested are outlined in the Specification of this RFT (see Section C).

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3. Section B – Conditions of Tendering

3.1 Definitions

In this RFT, the following terms shall, unless inconsistent with the context, have the meanings indicated:

- 3.1.1 A reference to a **clause** is a reference to a clause of this RFT.
- 3.1.2 **Closing Date** means the time and date specified in clause 3.2.3, or such later time and date as may be notified in writing to Tenderers by the Council.
- 3.1.3 **Conditions of Tendering** means these Conditions of Tendering as attached to Section B of this RFT.
- 3.1.4 **Conforming Tender** means a Tender described in clause 3.5.1.
- 3.1.5 **Contract for Services** means the draft Professional Services Agreement for the provision of the Services as attached to Section D of this RFT, as may be subsequently amended by agreement between the Council and the successful Tenderer.
- 3.1.6 **Nominated Contact Person** means the person named in clause 3.3.1
- 3.1.7 **Non-Conforming Tender** means a Tender does not meet the requirements set out in this RFT and/or the Tender Documents.
- 3.1.8 **Preferred Tenderer** means the Tenderer referred to in clause 3.9.
- 3.1.9 **RFT** means this Request for Tender.
- 3.1.10 **Services** means the services sought to be purchased by the Council pursuant to this RFT.
- 3.1.11 **Specifications** means the specifications specified in Section D of this RFT.
- 3.1.12 **Tender** means a tender submitted by a Tenderer pursuant to this RFT.
- 3.1.13 **Tender Documents** means the documents specified in clause 3.2.1.
- 3.1.14 **Tender Process** means the process for calling, receiving, evaluating and awarding of Tender(s) as proposed in clause 3.2.7 of these Conditions of Tendering.
- 3.1.15 **Tender Response Schedules** are the forms attached to Section E of this RFT.
- 3.1.16 **Tenderer** has the meaning given to it in clause 3.2.2.
- 3.1.17 **Tenderer's Representative** means the person nominated by a Tenderer under clause 3.3.2.

3.2 Request for Tenders

The Council seeks Tenders from Tenderers for the provision of the Services, which are further described in the Tender Documents.

3.2.1 *Tender Documents*

The Tender Documents are comprised of:

- 3.2.1.1 these Conditions of Tendering;
- 3.2.1.2 the Specifications;
- 3.2.1.3 the Contract for Services; and
- 3.2.1.4 the Tender Response Schedules (Separate Attachment).

3.2.2 *Obtaining a Copy of this RFT*

This RFT is open to any organisation or person who registers its interest and details with the Council and thereby obtains a copy of the Tender Documents (each such party is a **Tenderer**). Parties obtaining the Tender Documents (in soft copy) will be required to register their name and contact details at the time of issue of the documents.

3.2.3 *Electronic Lodgement of Tenders*

- 3.2.3.1 Tenders must be lodged electronically via the SA Tenders & Contracts before the **5:00 pm Wednesday 25 November 2020** (Closing Date) and in accordance with the tender lodgement procedure set out in this clause.
- 3.2.3.2 Where there is any inconsistency between the lodgement procedure set out on Vendor Panel and those set out in this RFT, this RFT will prevail.
- 3.2.3.3 Unless otherwise approved in writing by Council, Tenders lodged by any other means will not be considered.
- 3.2.3.4 Tenderers warrant that they have taken all reasonable steps to ensure that their Tenders are free of viruses or any other matter which would cause harm to the Council's website or systems.
- 3.2.3.5 Tenderers acknowledge that it is their sole responsibility to ensure that sufficient time has been allowed for Tender lodgement, including time that may be required for any problem analysis and resolution prior to the Closing Date.
- 3.2.3.6 If Tenderers have any problem uploading their Tender, they must contact the Nominated Contact Person prior to the Closing Date. Any failure to do so will result in the Tender being a Non-Conforming Tender.

3.2.3.7 A Tender is deemed to have been lodged by the Tenderer when the Tender has been received by SA Tenders & Contracts server.

3.2.4 **Late Tenders**

Tenders received after the Closing Date **WILL NOT** be considered or accepted.

3.2.5 **Extension of Time for the Submission of Tenders**

3.2.5.1 The Council may, in its absolute discretion, no less than two (2) business days before the Closing Date, extend the Closing Date by notice in writing to the Tenderers.

3.2.5.2 A Tenderer may request the Council to extend the Closing Date for the submission of a Tender by written application to the Nominated Contact Person.

3.2.5.3 Any such requests must be received by the Nominated Contact Person at least five (5) business days prior to the Closing Date, and must provide sufficient reasons to support the request.

3.2.5.4 It is entirely at the Council's discretion as to whether an extension is granted.

3.2.6 **Tender Validity Period**

3.2.6.1 All Tenders will remain open for acceptance by the Council for a period of not less than three (3) months after the Closing Date.

3.2.6.2 Once submitted, a Tenderer cannot withdraw its Tender without the prior written consent of the Council, unless the Tender is withdrawn in writing before the Closing Date.

3.2.7 **Proposed Timing of Tender Process**

The proposed timing for the Tender Process is as follows:

| | |
|--|---|
| Request for Tenders | 2 November 2020 |
| Closing Date | 25 November 2020 |
| Evaluation Period | 26 November 2020 – 10 December 2020 |
| Notification to successful Tenderer | 11 December 2020 <i>(indicative)</i> |
| Execution of Contract for Services | 18 December 2020 <i>(indicative)</i> |
| Commencement of Provision of Services | February 2021 <i>(indicative)</i> |

3.2.8 **Copying Tenders**

Tenderers must not use this RFT or the RFT Documents (including any attached technical and other written information supplied by the Council) for any purpose other than to prepare a Tender. This includes not copying this RFT or the RFT Documents (including any attached technical and other written information supplied by the Council) and providing a copy to any third party not involved in the preparation of a Tender.

3.3 **Communication between the Parties**

3.3.1 **Enquiries or Requests for Information or Clarification**

- 3.3.1.1 Any enquiries or requests for information or clarification regarding this RFT or the Tender Documents must be made in writing and addressed to the Nominated Contact Person.
- 3.3.1.2 The Primary Nominated Contact Person is Monique Palmer, Group Manager Corporate Services, mpalmer@walkerville.sa.gov.au.
- 3.3.1.3 The Secondary Nominated Contact Person is Scott Reardon, Business Analyst (Property & Contracts) sreardon@walkerville.sa.gov.au.
- 3.3.1.4 The Nominated Contact Person may (but is not obligated to) respond to a Tenderer's enquiries or requests for information or clarification.

- 3.3.1.5 If the Council provides any information to a Tenderer by way of clarification, then the Council reserves the right to provide that information to other Tenderers.
- 3.3.1.6 No statement made by the Nominated Contact Person, or any other representative of the Council should be construed as modifying this RFT or any of the Tender Documents, unless confirmed in writing by the Nominated Contact Person.

3.3.2 ***Tenderer's Contact Person***

- 3.3.2.1 Tenderers are required to nominate a person to be the authorised contact person and supply an address for the service of any notices for the purpose of this RFT (**Tenderer's Representative**).
- 3.3.2.2 Each Tenderer must notify the Council of its Tenderer's Representative within ten (10) business days of obtaining the Tender Documents.
- 3.3.2.3 All communication with the Tenderer will be via the Tenderer's Representative.

3.3.3 ***Industry Briefing***

- 3.3.3.1 The Council may conduct a industry briefing. The briefing (if conducted) is intended to provide Tenderers with background information, and Tenderers are not to treat any statements made at the briefing as variations to this RFT.
- 3.3.3.2 The Council reserves the right to require all Tenderers to attend the industry briefing.
- 3.3.3.3 Details of the briefing will be provided to Tenderers at least seven (7) business days prior to the briefing. Tenderers may be notified of the industry briefing by email, and Council may post the details of the briefing on the internet.
- 3.3.3.4 Each attending Tenderer must advise the Nominated Contact Person of the details of that Tenderer's attendees (including name and position) at least two (2) business days before the briefing.

3.3.4 ***Tenderer not to solicit the Council and its employees***

The Tenderer and its representatives must not interfere or attempt to interview or to discuss its Tender with Councillors or employees of the Council, other than the Nominated Contact Person. The Council reserves the right to reject any Tender submitted by a Tenderer which contravenes this clause.

3.4 **Tender Preparation**

3.4.1 ***Tenderers to be informed***

Each Tenderer must, prior to submitting its Tender, become acquainted with the nature and extent of the Services to be undertaken, and make all necessary examinations, investigations, inspections and deductions.

3.4.2 ***Evidence of Registration or Licensing***

Each Tenderer must (if applicable) be licensed or registered to perform the Services.

3.4.3 ***Conflict of Interest***

Tenderers must inform Council of any circumstances or relationships which will constitute a conflict or potential conflict of interest if the Tenderer is successful. If any conflict or potential conflict exists, the Tenderer must advise how it proposes to address this.

3.4.4 ***Use of Sub-contractors***

Where a Tenderer proposes to use resources from organisations other than the Tenderer itself, substantial information relating to the contractual arrangements for such resources must be detailed in the Tender, together with information on the relevant experience of such other organisation.

3.4.5 ***Ombudsman Act***

Tenderers should be aware that the *Ombudsman Act 1972* (SA) has been amended so that the definition of “administrative act” under that Act includes an act done in the performance of functions under a contract for services with a Council. That Act also includes powers enabling the Ombudsman to investigate matters in the public interest. The Tenderer must ensure compliance with all obligations arising under that Act and any other applicable legislation.

3.4.6 ***Freedom of Information***

Tenderers should be aware that the *Freedom of Information Act 1991* (SA) (**FOI Act**) gives members of the public rights to access documents of the Council. The FOI Act promotes openness in governance and accountability of government agencies and confers the public with a legally enforceable right to be given access to documents, including contracts entered into by the Council, except for those contracts or provisions which should be kept

confidential for public interest purposes, the preservation of personal privacy or are commercial in confidence.

3.4.7 ***Collusion***

The Tenderer must not collude with any other Tenderers or potential Tenderers.

3.4.8 ***Tenderer's confidential information***

3.4.8.1 Subject to clauses 3.4.8.2 and 4, the Council will treat as confidential all Tenders submitted by Tenderers in connection with this RFT.

3.4.8.2 The Council will not be taken to have breached any obligation to keep information provided by Tenderers confidential to the extent that the information:

- (a) is disclosed by the Council to its advisers, officers, employees or subcontractors solely in order to conduct the RFT process or to prepare and manage any resultant agreement;
- (b) is disclosed to the Council's internal management personnel, solely to enable effective management or auditing of the RFT process;
- (c) is disclosed by the Council to the responsible Minister;
- (d) is authorised or required by law to be disclosed; or
- (e) is in the public domain otherwise than due to a breach of the relevant obligations of confidentiality.

3.5 **Tender Documents**

3.5.1 ***Conforming Tenders***

A Conforming Tender is a Tender which meets all of the requirements set out in this RFT and the Tender Documents.

3.5.2 ***Non-Conforming Tenders***

The Council is not required to, but may at its sole discretion, consider an incomplete, informal or a Non-Conforming Tender. Failure to respond to or meet any of the requirements set out in this RFT and the Tender Documents will result in the Tender being deemed a Non-Conforming Tender.

3.5.3 ***Content of Tenders***

3.5.3.1 Tenderers are required to complete the Tender Response Schedules and submit them to the Council.

- 3.5.3.2 Tenderers can also supply any other additional information or documents. The Council may have reference to such additional information or documents in evaluating the Tenders.
- 3.5.3.3 All prices quoted by Tenderers in their Tender are:
- (a) to be in Australian dollars;
 - (b) to be exclusive GST; and
 - (c) (if subject to rise and fall) to provide full details of how the rise and fall applies and the method of determining the price.
- 3.5.3.4 If a Tenderer proposes to provide the Services on a basis different to that envisaged by the Tender Documents (whether for reasons of innovation, efficiency or otherwise) that proposal should be fully documented and justified with the Tender. The Council does not warrant that any discussion with the Council's Nominated Contact Person prior to the Closing Date in relation to such a proposal will be taken into account in evaluating the Tenders.

3.6 Acknowledgement by Tenderers

Tenderers acknowledge that the Council:

- 3.6.1 makes no representations and offers no undertakings in issuing this RFT or the Tender Documents;
- 3.6.2 is not bound to accept the lowest Tender or required to accept any Tender;
- 3.6.3 may accept all or part of any Tender;
- 3.6.4 may require one or more Tenderers (but is not obliged to require all) to supply further information and/or attend a conference or interview;
- 3.6.5 may require one or more Tenderers (but is not obliged to require all) to make presentation(s);
- 3.6.6 may undertake "due diligence" checks on any Tenderer, including verifying references and/or referees, and undertaking company searches and credit checks;
- 3.6.7 will not be responsible for any costs or expenses incurred by the Tenderer arising in any way from the preparation and submission of its Tender;
- 3.6.8 accepts no responsibility for a Tenderer misunderstanding or failing to respond correctly to this RFT;
- 3.6.9 will not be liable for or pay any expenses or losses incurred by any party whether in the preparation of a Tender or prior to the signing of any Contract for Services or otherwise; and

- 3.6.10 will not be bound by any verbal advice given or information furnished by any member, officer or agent of the Council in respect of the Tender Documents or this RFT, but will only be bound only by written advice provided by the Nominated Contact Person.

3.7 Council's Rights

The Council reserves the right to:

- 3.7.1 amend, vary, supplement or terminate this RFT at any time;
- 3.7.2 accept or reject any Tender, including the lowest price tender;
- 3.7.3 negotiate with any service provider on all or any part of the Services to be supplied pursuant to this RFT;
- 3.7.4 vary the timing and process referred to in clause 3.2.7;
- 3.7.5 postpone or abandon this RFT;
- 3.7.6 add or remove any Tenderer;
- 3.7.7 accept or reject any Tenders whether or not they are Conforming Tenders;
- 3.7.8 accept all or part of any Tender;
- 3.7.9 negotiate or not negotiate with one or more Tenderers; and/or
- 3.7.10 discontinue negotiations with any Tenderer.

3.8 Tender Evaluation

- 3.8.1 In assessing Tenders, the Council will have regard to, but not necessarily be limited to, the following criteria (not listed in any order of priority):
 - 3.8.1.1 insurance;
 - 3.8.1.2 compliance with work health and safety requirements;
 - 3.8.1.3 customer service experience and capacity;
 - 3.8.1.4 the tendered prices, including the proposed pricing structure;
 - 3.8.1.5 the level of risk associated with negotiation of an acceptable Contract for Services;
 - 3.8.1.6 environmental management systems (if applicable);
 - 3.8.1.7 degree of compliance with the requirements set out in this RFT and the Tender Documents; and

3.8.1.8 such other matters that Council considers relevant, including:

- (a) details of current and previous relevant experience in the provision of the Services;
- (b) the provision of any aspect of the Services by sub-contractors (if applicable);
- (c) financial resources;
- (d) staff resources; and
- (e) current and future contracts/workload.

3.8.2 ***Use of Tender Documents***

The Council may use, retain and copy any information contained in the Tenders for the evaluation of Tenders and for the finalisation of the provisions of the Contract for Services.

3.8.3 ***Debriefing of Tenderers***

If requested, Tenderers may be debriefed against the Council's evaluation criteria. Tenderers will not be provided with information concerning other Tenderers, apart from publicly available information. No comparison with other Tenders will be made.

3.9 **Acceptance of Tender**

3.9.1 The Council reserves the right to negotiate different terms and conditions for the Contract for Services with any one or more Tenderers (each referred to as a **Preferred Tenderer**).

3.9.2 The Council and the Preferred Tenderer may (if required) enter into negotiations for the award and execution of a Contract for Services.

3.9.3 If, despite their best endeavours and acting in good faith, the Council and the Preferred Tenderer are unable to negotiate and agree on the terms of the Contract for Services, the Council reserves the right to negotiate with any other parties, including other Tenderers, for the provision of the Services.

3.9.4 The successful Tenderer will be notified in writing by the Council of the Council's acceptance of its Tender. The successful Tenderer must not make any oral or written public statements in relation to the awarding of a Contract for Services until written notice is received by the Tenderer.

3.9.5 The notification of the acceptance of Tender by the Council creates an obligation on the Council and the successful Tenderer to enter into the Contract for Services (subject to any variations agreed pursuant to this clause 3.9).

3.9.6 The successful Tenderer acknowledges and agrees that all intellectual property created by the successful Tenderer arising out of the provision of the Services belongs to the Council, and the successful Tenderer will do all

reasonable things necessary to assist the Council in the protection and transfer of ownership of the intellectual property resulting from the provision of the Services.

3.10 **Unsuccessful Tenders**

Unsuccessful Tenderers must, if required by the Council, return the Tender Documents to the Council, once they have been advised that their Tender is unsuccessful.

3.11 **No Legal Requirement**

The issue of this RFT or any response to it does not commit, obligate or otherwise create a legal obligation on the Council to purchase the Services from the Tenderers.

4. **Governing Law**

4.1 This RFT is governed by the law in South Australia.

4.2 The parties irrevocably submit to the exclusive jurisdiction of the courts in South Australia.

5. **ICAC**

Tenderers acknowledge that if they enter into a contract with the Council they will be considered to be public officers for the purposes of the *Independent Commissioner Against Corruption Act, 2012* (SA) (**ICAC Act**) and will be obliged to comply with the ICAC Act and the Directions and Guidelines issued pursuant to the ICAC Act.

6. Section C – Specifications for the Services

6.1 The Objectives of the Audit

The objective of Council's audit is to provide two (2) independent audit opinions of the:

- accounts and annual financial reports; and
- internal financial controls;

for each financial year covered by the term of the audit appointment. The audit must meet both statutory requirements and Australian audit standards.

6.2 Term of Audit Appointment

6.2.1 Council is seeking to make an appointment for a period of three (3) financial years – 2020/21, 2021/22 and 2022/23.

6.2.2 Council reserves the right, at its absolute discretion, to extend the term of the appointment for an additional term of up to and including two (2) additional financial years (viz 2023/24, 2024/25)

6.3 Scope of the Audit

The auditor is to: –

6.3.1 Carry out such work as is necessary to form opinions as to whether:

6.3.1.1 Council's accounts are properly kept and the annual financial statements:

- (a) are prepared in accordance with the financial records; and
- (b) 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) and other mandatory professional reporting requirements.

6.3.1.2 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.

6.3.2 Include in his or her audit report any matters identified during the normal audit procedures such as:

6.3.2.1 Any significant adverse trends in the financial position or the financial management practices of the Council;

- (a) 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;
- (b) any weaknesses in the Council's internal financial controls;
- (c) any factors impacting on the adequacy of the depreciation charge for the year.

6.4 **Audit Methodology and Approach**

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

6.4.2 An audit is to be carried out in accordance with the 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.

6.4.3 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 financial controls and the extent to which these controls lead to reliance on the Council's administration and financial systems to produce accurate reports.

6.4.4 The auditor is to provide the Council with a plan for the audit including:

6.4.4.1 timing of interim audit visits;

6.4.4.2 final audit visit (within 30 days of being advised that the accounts and annual financial report are available for audit); and,

6.4.4.3 the method to be used to communicate with, and provide advice and information to, the Council.

6.5 Pursuant to s 129 (3) & (4) of the *Local Government Act 1999*, the auditor must provide Council with:

6.5.1 an audit opinion with respect to the financial statements;

6.5.2 an audit opinion as to whether the established internal controls audited are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law; and

6.5.3 written advice on particular matters arising from an audit.

6.6 Prior to handing over a final audit management letter (see Section 9 below) the auditor is to discuss the proposed contents of the letter with senior management and thereafter at a meeting of the Councils Audit Committee or the Council itself.

7. **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) & (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 annual financial reports and the internal financial controls of the Walkerville Council.

7.1 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

7.2 Financial Accounting and Reporting

- a) Income
 - Rates revenue
 - Government grants
 - User pays revenue
 - Profit on sale of non-current assets
 - Other income
- b) Expenses
 - Salaries and wages
 - Depreciation
 - Materials and contracts
 - Loss on sale or revaluation of non-current assets
 - Insurances
 - Bad debts
 - Other expenses
- c) Current Assets
 - Cash at bank and short term investments
 - Receivables and prepayments
 - Inventories
- d) Non-Current Assets
 - Property, plant, furniture and equipment
 - Infrastructure and accumulated depreciation thereon
 - Other receivables
- e) Liabilities (current and non-current)
 - Creditors and accruals
 - Borrowings
 - Provisions for employee entitlements

f) Other

- Statement of changes in equity
- Net Gain/Loss – Equity accounted council businesses
- Disclosure of contingent liabilities
- Disclosure of capital commitments
- Accounting policies and notes to the financial statements
- Cash Flow Statement
- Financial Indicators¹⁶ as set out in the Model Financial Statements

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8. **Audit Management Letter – reporting on the findings of an interim Audit and a final Audit**

- 8.1 Without limiting the scope and application of ASA 260 – ‘Communication of Audit Matters with Those Charged With Governance’ Council requires that the auditor shall promptly 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 Principal Member 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:
- 8.1.1 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.
- 8.1.2 The appropriateness of the valuation and depreciation methodologies being used in respect of infrastructure 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.
- 8.1.3 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.
- 8.1.4 Whether the Council, through its Audit Committee, is regularly monitoring and assessing the adequacy and effectiveness of its risk management framework and activities.
- 8.1.5 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.

- 8.1.6 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.
- 8.1.7 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.
- 8.1.8 Where it becomes apparent to the auditor that the 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.
- 8.1.9 Where, during the course of an audit, it becomes apparent that management has failed to comply with Council 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.
- 8.1.10 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.

9. **Hours, Fees and Expenditure**

The auditor is to provide the following details:

- a) an estimate of the hours to be spent on the audit;
- b) fees for completing the audit in accordance with this specification;
- c) the nominated auditor and registered company audit number; and,
- d) the experience of the nominated auditor in completing Local Government audits.

10. **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 \$ 5 Million in aggregate or \$1 Million to \$ 2 Million on an 'each and every claim' basis with a two year run-off, plus public liability insurance to a minimum of \$10 Million.

11. Termination of Appointment

The appointment as auditor is terminated if:

- a) the auditor (being a natural person) dies;
- b) the auditor ceases to be a registered company auditor;
- c) the auditor is a disqualified person under Section 128 (6) 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 notice in writing to Council;
- g) Council serves notice in writing to the auditor terminating the appointment for reasonable cause;
- h) the term of the appointment expires.

12. 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 Council and nothing has transpired that would compromise his or her independence during the conduct of the audit.

13. **Section D – Draft Contract for Professional Services**

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TOWN OF



WALKERVILLE

Professional Services Agreement for

**External Audit Services for
2020-21 to 2022-23**

COR002-20/21

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Schedule

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| <p>Item 1 Council</p> | <p>The Corporation of the Town of Walkerville</p> <p>ABN: 49 190 949 882</p> <p>Fax: 08 8269 7820</p> <p>Email: walkerville@walkerville.sa.gov.au</p> <p>Phone: 08 8342 7100</p> |
| <p>Item 2 Consultant</p> | <p>[Insert name of Consultant]</p> <p>ABN [ABN of Consultant]</p> <p>Fax: [Fax no]</p> <p>Email: [Email address]</p> <p>Phone: [Phone no]</p> |
| <p>Item 3 Reimbursable Expenses</p> | <p><i>Per Pricing Schedule</i></p> |
| <p>Item 4 Insurance requirements</p> | <p>Public liability insurance</p> <p>Company: [Company]</p> <p>Policy: [Policy]</p> <p>Expiry: [Expiry]</p> <p>Amount : \$[Insert amount] for any one incident</p> <p>Professional indemnity insurance</p> <p>Company: [Company]</p> <p>Policy: [Policy]</p> <p>Expiry: [Expiry]</p> |

| | |
|---|---|
| Item 5 Commencement Date | [Commencement Date] |
| Item 6 Termination Date | [Termination Date] |
| Item 7 Council's Representative | [Insert name & position of representative] and any other person as may be advised by the Council in writing |
| Item 8 Consultant's Staff | [Insert names and positions of staff members] and any other person as may be approved by the Council in writing |
| Item 9 Confidential Sections | [Confidential Sections] |
| Item 10 Consultant's Representative | [Insert name & position of representative] and any other person as may be advised by the Consultant in writing |

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Date

[Insert Date]

Parties

The Corporation of the Town of Walkerville ABN 49 190 949 882 of 66 Walkerville Terrace, Gilberton SA 5081 (**Council**)

The person specified in Item 2 of the Schedule (**Consultant**)

Background

- A. Pursuant to RFT COR02.20/21 process, the Council sought submissions from suitably qualified parties for the Services.
- B. The Consultant submitted a Tender for the Services, and the Council accepted it.
- C. The Consultant agrees to perform the Services on the terms in this agreement.

Agreed Terms

1. Definitions and Interpretation

1.1 Definitions

In this agreement:

Agreement means this agreement and includes the Schedule and the Annexures.

Annexure refers to an Annexure of this agreement.

Authorisation includes any authorisation, agreement, approval, licence, permit, consent, qualification, accreditation, registration, certificate, declaration or exemption and any renewal and variation of them by or with a Governmental Agency.

Background Intellectual Property means Intellectual Property Rights in the Deliverables which were not specifically created as part of the Services (including the pre-existing Intellectual Property Rights of the Consultant and Intellectual Property Rights of third parties).

Clause refers to a clause of this agreement.

Commencement Date means the date specified in Item 5 of the Schedule.

Confidential Information means any documentation or information of a confidential nature supplied by either of the parties to the other in connection with this agreement and includes all scientific, technical, manufacturing, performance, sales, financial, commercial, contractual or marketing information possessed by each party, but specifically excludes any documentation or information which has been previously published or otherwise disclosed to the general public or is required to be disclosed by Law.

Confidential Sections are those clauses, Schedules and/or Annexures specified in specified in Item 9 of the Schedule that are deemed to be confidential for the purposes of the FOI Act.

Consultant's Representative means the person specified in Item 10 of the Schedule.

Consultant's Staff means the people approved by the Council to perform the Services, being those persons specified in Item 8 of the Schedule.

Council means the Council specified in Item 1 of the Schedule.

Council's Representative means the person specified in Item 7 of the Schedule.

Data means information directly or indirectly relating to this agreement and/or the Services.

Deliverables means all documents, equipment, software, information and Data produced as part of the Services and supplied to the Council as part of the Services.

Fee means the fee payable by the Council for the Services, which is to be determined and reviewed in the manner set out in Annexure B, and which is more specifically set out in each Purchase Order.

FOI Act means *Freedom of Information Act 1991 (SA)*.

Force Majeure Event means an event beyond the reasonable control of the parties which precludes a party from performing on time an obligation under this agreement. Such circumstances include:

- (a) acts of God, lightning strikes, earthquakes, floods, storms, explosions, fires and any natural disaster; and
- (b) acts of war, acts of public enemies, terrorism, riots, civil commotion, malicious damage, sabotage and revolution.

Governmental Agency means any government or any government, semi-governmental, administrative, fiscal or judicial body, commission, authority, tribunal, agency or entity including any self-regulatory organisation established under statute or any stock exchange.

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Intellectual Property Rights includes property and rights in respect of or in connection with copyright (including future copyright and rights in the nature of or analogous to copyright), know-how, trade mark, service mark, design, inventions (including patents), business or company names, or other proprietary rights, or any rights to registration of such rights (including all renewals and extensions) whether created before or on or after the agreement.

Law means any statute, regulation, order, rule, subordinate legislation or other document enforceable under any statute, regulation, order, rule or subordinate legislation.

Notice means a notice, demand, consent, approval or communication under this agreement.

Purchase Order refers to any of purchase orders placed by the Council pursuant to clause 3.1 in the form attached at Annexure C to this agreement.

Recipient refers to a party who receives a supply pursuant to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Reimbursable Expenses means the expenses specified in Item 3 of the Schedule.

Reportable Incident means any accident, injury, property or environmental damage or any potential breach of any Law that occurs during or as a result of this agreement.

Schedule refers to the Schedule of this agreement.

Services means those services which the Consultant is to perform under this agreement, more specifically set out in Annexure A.

Special Conditions mean the special conditions set out in Annexure D, if any.

Standing Offer means the standing offer made by the Consultant to the Council pursuant to clause 3.1.

Supplier refers to a party who makes an supply under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Term means the period starting on the Commencement Date and finishing on the Termination Date.

Termination Date means the date specified in Item 6 of the Schedule, unless this agreement is terminated in accordance with this agreement.

Variation means any change to the Services including any addition, increase, decrease, omission, deletion, demolition or removal to or from the Services.

1.2 Interpretation

In this agreement, unless the context otherwise requires:

- 1.2.1 headings do not affect interpretation;
- 1.2.2 singular includes plural and plural includes singular;
- 1.2.3 a reference to a party includes its executors, administrators, successors and permitted assigns;
- 1.2.4 a reference to a person includes a partnership, corporation, association, government body and any other entity;
- 1.2.5 a reference to this agreement includes any schedules and annexures to this agreement;
- 1.2.6 an agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- 1.2.7 an agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- 1.2.8 a reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- 1.2.9 a provision is not construed against a party only because that party drafted it;
- 1.2.10 an unenforceable provision or part of a provision may be severed, and the remainder of this agreement continues in force, unless this would materially change the intended effect of this agreement;
- 1.2.11 the meaning of general words is not limited by specific examples introduced by 'including', 'for example' or similar expressions;
- 1.2.12 an expression defined in the *Corporations Act 2001* (Cth) has the meaning given by that Act at the date of this agreement;
- 1.2.13 an expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given by that Act at the date of this agreement.

2. Engagement of Consultant

- 2.1 The Council engages the Consultant who accepts the engagement for the Term to perform the Services on the terms of this agreement.

- 2.2 The parties acknowledge that nothing in this agreement creates or infers a relationship between the parties of partnership or employer/employee.

3. **Basis of Engagement**

3.1 **Standing Offer Arrangement**

- 3.1.1 The Consultant hereby irrevocably grants the Council with a Standing Offer during the Term to provide the Services for the Fee at the times requested by the Council.
- 3.1.2 The Council may place an order for the Services at any time during the Term by sending a Purchase Order to the Consultant.
- 3.1.3 Each Purchase Order by the Council constitutes an acceptance of the Standing Offer by the Consultant to provide the Services and will constitute an agreement for the Consultant to provide the Services to the Council in accordance with the Purchase Order and the terms and conditions of this agreement.
- 3.1.4 The Council is not obliged to request any or any minimum number of Services from the Consultant under this agreement.
- 3.1.5 The arrangements contemplated by this agreement are not an exclusive arrangement and the Council may, at its discretion, engage other consultants to provide the Services.
- 3.1.6 The Services will be provided as and when required by the Council in accordance with a Purchase Order.

3.2 **Publicity and Changes**

- 3.2.1 The Consultant must not (without the prior written consent of the Council) advertise, promote or publish in any form, the fact that the Consultant is providing the Services to the Council.
- 3.2.2 The Consultant must immediately notify the Council in writing of:
- 3.2.2.1 any change in the financial or technical capacity of the Consultant which a reasonable person would consider adversely impacts upon the Consultant's ability to provide the Services to the Council; and/or
- 3.2.2.2 any change in the Consultant's ownership.

4. Invoicing and Payment

4.1 Payment of Fee

- 4.1.1 The Council will pay to the Consultant the Fee for the provision of the Services in accordance with the provisions of each Purchase Order.
- 4.1.2 The Consultant will issue the Council with an invoice at the end of the month in which it receives a Purchase Order from the Council.

4.2 Reimbursable Expenses

Subject to clause 4.3.2.4, the Council will pay to the Consultant the Reimbursable Expenses directly incurred by the Consultant in the supply of the Services.

4.3 Payment terms

- 4.3.1 Payment of the Fee and Reimbursable Expenses will be due within 30 days from the end of the month in which the Council receives a correctly rendered tax invoice from the Consultant.
- 4.3.2 A tax invoice is correctly rendered when it:
 - 4.3.2.1 describes the Services provided and the period to which the Services relate;
 - 4.3.2.2 displays the Council's Purchase Order number;
 - 4.3.2.3 displays the terms of payment of the Fee described in the invoice;
 - 4.3.2.4 displays the terms of payment of the Reimbursable Expenses and attaches receipts for all Reimbursable Expenses claimed for the period;
 - 4.3.2.5 is addressed to the Council's address specified in Item 1 of the Schedule; and
 - 4.3.2.6 set out in reasonable detail the manner and basis of the calculation of the Fee and Reimbursable Expenses, including the component of GST.

4.4 Effect of payment

A payment of all or part of the Fee is not an acceptance of the Services or a waiver of a right or action of the Council.

4.5 **Right of set off**

The Council may deduct from amounts otherwise payable to the Consultant any amount due from the Consultant to the Council.

5. **Standard and Scope of Services**

5.1 The Consultant represents and warrants to the Council that:

5.1.1 all actions and conditions required to be taken, fulfilled and done by it in order to enable it to enter into, exercise its rights and perform its obligations under this agreement have been done; and

5.1.2 all Authorisations required for its entry into, exercise of its rights under, and performance of its obligations under this agreement have been obtained.

5.2 The Consultant must provide the Council with the Services in the manner and at the times or within the timeframe specified in each Purchase Order.

5.3 The Consultant must:

5.3.1 perform the Services with all the skill, care and diligence to be expected from a qualified, competent and experienced provider of services similar to the Services;

5.3.2 devote such of its time and ability as is appropriate and reasonably necessary for the proper and timely performance of the Services;

5.3.3 comply with all Authorisations and all applicable Laws, accepted industry standards, specifications and procedures in the performance of the Services and its obligations under this agreement; and

5.3.4 comply with any reasonable requests of the Council, whether in relation to the manner of the performance of the Services or otherwise.

5.4 The Consultant must supply at its own expense all plant, equipment and facilities required for the performance of the Services and maintain them in a safe and good working condition.

5.5 The Consultant must keep the Council fully and regularly informed as to all matters affecting or relating to the Services and must provide to the Council any information reasonably requested by the Council to monitor the performance of the Consultant's obligations under this agreement.

5.6 The Consultant must promptly notify the Council of a Reportable Incident within 24 hours of the incident taking place. The Consultant must provide a report to the Council's Representative giving complete details, including results of investigations into its cause, and any recommendations or strategies for prevention in the future.

- 5.7 Times for the fulfilment of the Consultant's obligations under this agreement are essential terms of this agreement.

6. Variation to Services

- 6.1 The Council may, by written notice to the Consultant, request a Variation to the Services. This may consist of a direction to the Consultant to change the character, quality, scope and/or extent of the Services.
- 6.2 Subject to clause 6.4, the Consultant must not carry out a Variation unless and until the Council provides to the Consultant a written Variation and the Variation is valued.
- 6.3 A Variation is valued as follows:
- 6.3.1 where the Variation can be valued by the application of rates accepted by the Council - by the application of those rates; or
- 6.3.2 where there are no relevant rates - the Council's Representative and the Consultant's Representative may, by agreement, determine a reasonable value.
- 6.4 If the Council gives the Consultant a written instruction that a matter is so urgent that the Consultant should proceed with the Variation before it is valued, the Consultant may proceed with the Variation and the Variation must be valued afterwards by the Council's Representative and the Consultant's Representative.
- 6.5 If the Council's Representative and the Consultant's Representative are unable to reach agreement under clauses 6.3.2 or 6.4, the matter will be resolved under clause 15.
- 6.6 No Variation invalidates this agreement irrespective of the character or value of the Variation.
- 6.7 All Variations must be in writing and signed by the Council's Representative.

7. Consultant's Staff

- 7.1 The Consultant acknowledges that the Council enters into this agreement on the basis of the skills, reputation, qualifications, experience and knowledge of the Consultant's Staff and that the Services must be performed only by the Consultant's Staff.
- 7.2 The Consultant may request in writing that the Council approve further people as Consultant's Staff.
- 7.3 The Council may, in its absolute discretion, give (conditionally or unconditionally) or withhold such approval.

- 7.4 The Consultant is responsible for the performance of the Services by Consultant's Staff and will not be relieved of its obligations or liabilities under this agreement.
- 7.5 The Consultant is responsible for labour management and industrial relations in respect of the provision of the Services by the Consultant's Staff.
- 7.5.1 The Council does not bear or accept any additional costs as a result of the impact of any industrial dispute on the performance of the Services.
- 7.5.2 In the event of an industrial dispute, the Consultant must take all reasonable steps to ensure the continuation of the Services without adverse impact on the Council.

8. Insurance

- 8.1 During the Term, the Consultant must maintain all insurances required by Law and this agreement, including:
- 8.1.1 public liability insurance for the amount specified in Item 4 of the Schedule in respect of any one incident arising during or in consequence of the performance of the Services. The insurance policy must bear an endorsement from the insurer acknowledging the indemnities given by the Consultant under this agreement;
- 8.1.2 any other insurances specified in Item 4 of the Schedule.
- 8.2 The Consultant must produce evidence of those insurances to the Council upon request.
- 8.3 All insurance policies must bear an endorsement from the insurer that it will notify the Council if the policy is cancelled or altered or allowed to lapse.
- 8.4 The Consultant must not allow any act or omission which would make any policy of insurance void or unenforceable.
- 8.5 Where required by law the Consultant must register itself with Return to Work SA and maintain that registration and pay all levies pursuant to the *Return to Work Act 2014 (SA) (Act)* at all times during the Term. The Consultant must produce evidence of that registration to the Council upon request.
- 8.6 The Consultant must ensure that its subcontractors (so long as they have been approved by the Council) comply with this clause.

9. Ownership of Intellectual Property Rights and Deliverables

- 9.1 The Consultant warrants that the Deliverables will not infringe the Intellectual Property Rights of any person. The Consultant fully indemnifies the Council

against any loss, costs, expenses, demands or liability, whether direct or indirect, arising out of a claim by a third party against the Council alleging that the Deliverables infringe any such Intellectual Property Rights.

- 9.2 The Consultant hereby assigns to the Council all future copyright and all other rights of a like nature in the Deliverables throughout all countries of the world to the intent that such rights will, upon their creation, vest in the Council.
- 9.3 Subject to clause 9.4, title to all Intellectual Property Rights in the Deliverables (other than copyright vesting in the Council under clause 9.2), will be assigned to the Council upon its creation.
- 9.4 The Consultant hereby grants the Council a perpetual, royalty-free, non-exclusive licence of Background Intellectual Property, with a right to grant sub-licences, to the extent necessary to use or reproduce in any way the Deliverables.
- 9.5 The Consultant must do all such things and execute all such forms and documents as are necessary to permit or facilitate the performance of the transactions contemplated by this clause 9.

10. **Indemnity and Exclusion of Liability**

- 10.1 The Consultant must indemnify the Council and its employees, officers and consultants against all claims, demands, expenses, loss or damage in respect of loss or damage to any property, or the death of or personal injury to any person, caused or contributed to by the Consultant, a breach by the Consultant of this agreement, a wilful unlawful or negligent act or omission of the Consultant, and any claim action or proceeding by a third party against the Council or its employees officers and consultants caused or contributed to by the Consultant.
- 10.2 This indemnity is reduced by the extent to which the Council contributes to the event giving rise to the claim for the indemnity.
- 10.3 The Consultant must perform the Services at its own risk in all things and releases the Council and its employees, officers, members and consultants from all claims, actions, proceedings, costs, expenses, losses, suffering, and liabilities incurred by the Consultant or its employees, agents, subcontractors and third parties which arise from the performance of the Services.

11. **Non Performance by Consultant**

If the Consultant breaches a provision of this agreement and fails to remedy the breach within a reasonable time after receiving notice requiring it to do so, the Council may:

- 11.1 suspend any or all payment of the Fee until the breach is remedied; and/or

- 11.2 remedy the breach itself whether by the use of the Council's employees or other consultants and deduct the cost of remediation from any Fee due to the Consultant; and/or
- 11.3 terminate this agreement in accordance with clause 13.1; and/or
- 11.4 pursue any other legal remedies available to the Council.

12. Force Majeure

- 12.1 If a Force Majeure Event causes delay or failure by a party to perform its obligations under this agreement:
 - 12.1.1 neither party is liable for such delay or failure; and
 - 12.1.2 all obligations of a party under this agreement are suspended until the Force Majeure Event ceases to apply.
- 12.2 A party which is, by reason of a Force Majeure Event, unable to perform any obligation or condition required by this agreement must:
 - 12.2.1 notify the other party as soon as possible giving:
 - 12.2.1.1 reasonably full particulars of the Force Majeure Event;
 - 12.2.1.2 the date of commencement of the Force Majeure Event and an estimate of the time required to enable it to resume full performance of its obligations; and
 - 12.2.1.3 where possible, the means proposed to be adopted to remedy or abate the Force Majeure Event;
 - 12.2.2 use all reasonable diligence and employ all reasonable means to remedy or abate the Force Majeure Event as soon as possible;
 - 12.2.3 resume performance as soon as possible after termination of the Force Majeure Event or after the Force Majeure Event abates to an extent which permits resumption of performance;
 - 12.2.4 notify the other party when the Force Majeure Event terminates or abates to an extent which permits resumption of performance; and
 - 12.2.5 notify the other party when resumption of performance occurs.
- 12.3 If a delay or failure under this clause exceeds 60 days, the Council may immediately terminate this agreement by written notice to the Consultant. In such circumstances, the Council will be liable to the Consultant only in respect of the Fees properly owing up to the date of termination in respect of the Services (or part thereof) performed to the Force Majeure Event. Without limiting the effect of this clause 12.3, the Council will not be liable to

compensate the Consultant for loss of potential profits or other consequential loss incurred by the Consultant arising from termination by the Council pursuant to this clause.

13. Termination

13.1 Termination by Council

13.1.1 The Council may immediately terminate this agreement by giving notice to the Consultant if the Consultant:

13.1.1.1 ceases to carry on business or becomes otherwise unable to perform its obligations under this agreement; or

13.1.1.2 breaches a material or essential term of this agreement and fails to remedy the breach within a reasonable time after receiving notice requiring it to do so; or

13.1.1.3 becomes an externally-administered body corporate or an insolvent under administration; or

13.1.1.4 becomes insolvent or bankrupt.

13.1.2 In such circumstances, the Council will be liable to the Consultant only in respect of the Fees properly owing up to the date of termination in respect of the Services (or part thereof) performed to that time. Without limiting the effect of this clause 13.1.2, the Council will not be liable to compensate the Consultant for loss of potential profits or other consequential loss incurred by the Consultant arising from termination by the Council pursuant to this clause.

13.2 Termination by Consultant

The Consultant may immediately terminate this agreement if the Council breaches a material term of this agreement and fails to remedy the breach within a reasonable time after receiving notice requiring it to do so.

13.3 Accrued rights and remedies

Termination of this agreement under this clause does not affect any accrued rights or remedies of either party.

14. Confidential Information and Freedom of Information

14.1 Each party agrees that it will not use any Confidential Information of the other party or allow any Confidential Information of the other party to be used for any purpose, except for the purposes of and in the manner contemplated by this agreement, and agrees that it will:

- 14.1.1 keep confidential;
- 14.1.2 take reasonable steps to ensure that the party's officers and employees do not disclose to a third party;
- 14.1.3 maintain proper and secure custody of; and
- 14.1.4 not use or reproduce in any form;

any Confidential Information belonging to the other party. Any departure from a party's obligations pursuant to this clause may only be with the written consent of the other party or as required by law or the terms of this agreement.

- 14.2 The Consultant consents to any disclosures made as a result of the Council complying with its obligations under the FOI Act, subject to any legally required consultation.
- 14.3 Unauthorised disclosure of any Confidential Sections constitutes a breach of a party's obligations under this agreement.

15. **Dispute Resolution**

15.1 **General**

- 15.1.1 A party must not commence arbitration or court proceedings (except for urgent equitable or injunctive relief) in respect of a dispute under this agreement, unless it first attempts to resolve the dispute by negotiation and mediation under this clause.
- 15.1.2 A party claiming that a dispute has arisen under this agreement must give written notice to the other party specifying the nature and details of the dispute.
- 15.1.3 On receipt of that notice by the other party, the parties must negotiate in good faith to resolve the dispute.
- 15.1.4 If the parties are unable to resolve the dispute within 10 business days, they must promptly refer the dispute:
 - 15.1.4.1 in the case of the Council to the Chief Executive Officer; and
 - 15.1.4.2 in the case of the Consultant to the Consultant's Representative.

15.2 **Mediation**

- 15.2.1 If those persons are unable to resolve the dispute within 10 business days of referral, a party may refer the dispute for mediation under the mediation rules of the Law Society of South Australia Inc to:

15.2.1.1 a mediator agreed by the parties; or

15.2.1.2 if the parties are unable to agree a mediator within five business days, a mediator nominated by the President of the Law Society or the President's nominee.

15.2.2 The role of a mediator is to assist in negotiating a resolution of the dispute. A mediator may not make a decision that is binding on a party unless that party has agreed in writing.

15.2.3 Any information or documents disclosed by a party under this clause:

15.2.3.1 must be kept confidential; and

15.2.3.2 may not be used except to attempt to resolve the dispute.

15.2.4 Each party must bear its own mediation costs. The parties must bear equally the costs of any mediator.

15.3 **Arbitration**

15.3.1 If the dispute is not resolved within 10 business days of appointment of the mediator, a party may refer the dispute to:

15.3.1.1 an arbitrator agreed by the parties; or

15.3.1.2 if the parties are unable to agree an arbitrator within five business days, an arbitrator nominated by the Chairperson of the South Australian Chapter of The Institute of Arbitrators and Mediators Australia or the Chairperson's nominee.

15.3.2 A referral to arbitration is a submission to arbitration within the meaning of the *Commercial Arbitration Act 2011* (SA).

15.3.3 The party serving the notice of arbitration must lodge with the arbitrator a security deposit for the cost of the arbitration proceedings.

15.3.4 The arbitrator may determine the amount of costs, how costs are to be apportioned and by whom they must be paid.

15.4 **Performance**

If possible, each party must perform its obligations under this agreement during negotiations, mediation and arbitration proceedings.

16. **Subcontracting and Assigning**

- 16.1 The Consultant must not assign or subcontract this agreement or any right or obligation under it without the prior written consent of the Council, which may be granted or withheld by the Council in its absolute discretion.
- 16.2 With any application for such consent, the Consultant must provide all information required by the Council, including evidence that the proposed assignee or subcontractor is capable of performing the Services to be assigned or subcontracted.
- 16.3 Unless otherwise agreed in writing by the Council, no such assignment or subcontract relieves the Consultant from any liability under this agreement or at Law in respect of the performance or purported performance of this agreement and the Consultant is responsible for the acts and omissions of any assignee or subcontractor or any assignee's or subcontractor's employees and agents as if they were the acts or omissions of the Consultant.
- 16.4 For the purpose of this clause, if the Consultant is a company, an assignment of this agreement includes any change in the beneficial ownership of the share capital of the Consultant, or the resignation, death or appointment of any director of the company, which alters the effective control of the Consultant.

17. **Miscellaneous**

17.1 **Special Conditions**

If there is an inconsistency between a Special Condition set out in Annexure D and the rest of this agreement, the Special Condition prevails to the extent of the inconsistency.

17.2 **Alteration**

This agreement may be altered only in writing signed by each party.

17.3 **Entire agreement**

This agreement:

- 17.3.1 constitutes the entire agreement between the parties about its subject matter; and
- 17.3.2 supersedes any prior understanding, agreement, condition, warranty, indemnity or representation about its subject matter.

17.4 **Waiver**

A waiver of a provision of or right under this agreement must be in writing signed by the party giving the waiver and is effective only to the extent set out in the written waiver.

17.5 **Exercise of power**

17.5.1 The failure, delay, relaxation or indulgence by a party in exercising a power or right under this agreement is not a waiver of that power or right.

17.5.2 An exercise of a power or right under this agreement does not preclude a further exercise of it or the exercise of another right or power.

17.6 **Survival**

Each indemnity, obligation of confidence and other term capable of taking effect after the expiration or termination of this agreement, remains in force after the expiration or termination of this agreement.

17.7 **Further action**

Each party must do all things necessary to give full effect to this agreement and the transactions contemplated by this agreement.

17.8 **Governing law**

17.8.1 This agreement is governed by the law in South Australia.

17.8.2 The parties irrevocably submit to the exclusive jurisdiction of the courts in South Australia.

17.9 **Ombudsman**

The Consultant acknowledges that the *Ombudsman Act 1972 (SA)* empowers the Ombudsman to investigate matters in the public interest. The Consultant must ensure compliance with all obligations arising under that Act and all applicable Laws.

17.10 **Work Health and Safety**

In complying with its obligations pursuant to this agreement, the Consultant agrees to:

17.10.1 comply with any environmental requirements of the Council communicated from time to time by the Council to the Consultant;

17.10.2 comply with all requirements of the *Work Health and Safety Act 2012 (SA)* and any regulations made under it;

17.10.3 comply with any reasonable requests of the Council in relation to the Consultant's performance of its obligations pursuant to this agreement; and

17.10.4 promptly notify the Council of any accident, injury, property or environmental damage of any potential breach of any law (reportable incident) that occurs during or as a result of this agreement. Within 24 hours of a reportable incident, the Consultant must provide a report to the Council's Representative giving complete details, including the results of investigations into its cause and recommendations or strategies for prevention in the future.

17.11 **ReturnToWorkSA**

17.11.1 Subject to clause 17.11.2, the Contractor must ensure that it is at all times registered as an employer under the *Return to Work Act 2014* (SA) (**Act**) and that it pays all monthly levies due under it in respect of its employees engaged in and about the Contract Works. The Contractor must produce to the Council on execution of this agreement a current Certificate of Registration as an employer under the Act. The Contractor must ensure that all subcontractors engaged by it have at all times current Certificates of Registration as employers under the Act, and must produce them to the Council upon request in writing by the Council.

17.11.2 Notwithstanding clause 17.11.1, if the Contractor (or any sub-contractor) is unable to register as an employer under the Act, then the Contractor must instead adequately insure against accident, personal injury and disability. The Contractor must maintain such insurance at all times during the currency of this agreement (including the Defects Liability Period) and must produce evidence of:

17.11.2.1 the existence and adequacy of such insurance; and

17.11.2.2 the Contractor's (and/or any sub-contractor's) inability to register as an employer under the Act.

17.12 **ICAC**

The Consultant acknowledges and agrees that by entering into this agreement with the Council the Consultant will be considered to be a public officer for the purposes of the *Independent Commissioner Against Corruption Act, 2012* (SA) (**ICAC Act**) and is obliged to comply with the ICAC Act and the Directions and Guidelines issued pursuant to the ICAC Act.

18. Goods and Services Tax

18.1 Consideration does not include GST

Unless specifically described as 'GST inclusive', any payment or consideration under this agreement does not include GST.

18.2 Gross up of consideration

Where a supply by a Supplier to a Recipient under this agreement is subject to GST (other than a supply specifically described as 'GST inclusive'):

18.2.1 the expressed consideration for that supply must be increased by, and the Recipient must pay to the Supplier, an amount equal to the GST payable by the Supplier in respect of that supply; and

18.2.2 the Recipient must pay that additional amount at the same time and in the same manner as the expressed consideration.

18.3 Reimbursements

If a payment to a party under this agreement is a reimbursement or indemnification of an expense or other liability incurred or to be incurred by that party, then the amount of the payment must be reduced by the amount of any input tax credit to which that party is entitled for that expense or other liability, such reduction to be effected before any increase in accordance with the previous subclause.

18.4 Tax invoices

Notwithstanding any other provision of this agreement, the Recipient need not make any payment for a taxable supply made by the Supplier under this agreement until the Supplier has given the Recipient a tax invoice in respect of that taxable supply.

18.5 Adjustments

If an adjustment event has occurred in respect of a taxable supply made under this agreement, any party that becomes aware of the occurrence of that adjustment event must notify each other party to that taxable supply as soon as practicable, and all of those parties agree to take whatever steps are necessary (including to issue an adjustment note), and to make whatever adjustments are required, to ensure that any GST or additional GST on that taxable supply, or any refund of GST (or part thereof), is paid no later than 28 days after the Supplier first becomes aware that the adjustment event has occurred.

19. Notices

19.1 A Notice must be:

19.1.1 in writing, in English and signed by a person authorised by the sender; and

19.1.2 hand delivered or sent by pre paid post or facsimile or electronic communication to the recipient's address or facsimile number specified in the Schedule, as varied by any Notice given by the recipient to the sender.

19.2 A Notice is deemed to be received:

19.2.1 if hand delivered, on delivery;

19.2.2 if sent by prepaid post, two business days after posting (or seven business days after posting if posting to or from a place outside Australia);

19.2.3 if sent by facsimile, at the time and on the day shown in the sender's transmission report, if it shows that the entire Notice was sent to the recipient's facsimile number last Notified by the recipient to the sender;

19.2.4 if sent by electronic communication, at the time deemed to be the time of receipt under the *Electronic Transactions Act 1999* (Cth) if the notice was being given under a Law of the Commonwealth of Australia.

19.3 However if the Notice is deemed to be received on a day that is not a business day or after 5:00pm, the Notice is deemed to be received at 9:00am on the next business day.

20. Costs

Each party must pay its own costs of preparing this agreement and any document required by it.

Annexure A Services

Details to be added following the conclusion of RFT COR02.20/21

RELEASED

Annexure B Fee

Details to be added following the conclusion of RFT COR02.20/21

RELEASED

Annexure C Purchase Order

Details to be added following the conclusion of RFT COR02.20/21

RELEASED

Annexure D Special Conditions

1. Zero Tolerance for Domestic Violence

- 1.1 When contractors undertake work for the Town of Walkerville, it is a requirement for contractors to acknowledge zero tolerance towards domestic violence in the workplace and the broader community. As such, the contractor agrees that, in performing services, they will at all times act in a manner that is non-threatening, courteous, and respectful; and comply with any instruction, policies, procedures or guidelines issued by the department regarding acceptable workplace behavior.

RELEASED

EXECUTED as an agreement

By the Council

| | |
|--|----------------------------------|
| SIGNED by [Insert name] under delegated authority in the presence of: | |
| Signature | Signature of witness |
| | Name of witness (print) |

| | |
|--|-----------------------------|
| The common seal of [Insert Company name] was affixed in accordance with its Constitution and by the authority of its directors: | |
| Director | Director/Secretary |

Executed by **[Insert Company name]** in accordance with section 127(1) of the *Corporations Act* by the authority of its directors:

.....
Signature of Director

.....
Name of Director (print)

.....
Signature of Director/Secretary

.....
Name of Director/Secretary (print)

Signed by **[insert name]** in the presence of:

.....
Signature

.....
Signature of witness

.....
Name of witness (print)

Partner 1:

| | |
|--|----------------------|
| Signed by [insert name] in the presence of: | |
| Signature of witness | Signature of partner |
| Name of witness (print) | |
| Address of witness (print) | |

Partner 2:

| | |
|--|----------------------|
| Signed by [insert name] in the presence of: | |
| Signature of witness | Signature of partner |
| Name of witness (print) | |
| Address of witness (print) | |

Project Name: Insert Tender Number and Description

Date:

Evaluation Panel Members: Evaluation Member 1
 Evaluation Member 2
 Evaluation Member 3

Tender Respondent: Contractor 1 0.00 Ranking 1
 Contractor 2 0.00 1
 Contractor 3 0.00 1
 Contractor 4 0.00 1
 Contractor 5 0.00 1
 Contractor 6 0.00 1
 Contractor 7 0.00 1
 Contractor 8 0.00 1

SUMMARY

| Evaluation Criteria | Weighting | Contractor 1 | Contractor 2 | Contractor 3 | Contractor 4 | Contractor 5 | Contractor 6 | Contractor 7 | Contractor 8 |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. PRICING Cost; Value for Money. | 25.0% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2. TIMEFRAMES Demonstrated ability and experience to deliver in timeframe, project schedules. | 10.0% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. CAPABILITY / CAPACITY Financial Capacity & Insurance; Organisation Resources; Understanding of Requirements; Knowledge of the Industry; Methodology | 25.0% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4. PERFORMANCE Factors to consider: Current Work, Previous Work, Previous Local Government Experience, Mechanisms for Monitoring Contractual Performance, Industrial Relations, OHS&W, etc | 20.0% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5. VALUE ADD Factors to consider: Quality of service, Value Add, Improvement, Licence & Accreditation etc. | 20.0% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL WEIGHTED SCORE | 100% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



The Corporation of the Town of Walkerville

Tender for the

**Provision of External Audit
Services for 2020-21 to 2022-23**

COR002-20/21

Section E

1. **Section E – Tender Response Schedules**

SECTION E – TENDER RESPONSE SCHEDULES FOR SERVICES

RELEASED

Schedule 1 Tender Form – Formal Offer

I/We _____ (Tenderer) on 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 Services described in the Specifications of the 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 Specification, as per RFT which form part of the Tender Documents subject only to the variations set out in Schedule 1;
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, I/we/it will execute and be bound by the Contract in accordance with the Conditions of Tendering.

If the Tenderer is a company, it must execute this Tender as follows:

| | |
|--|---|
| Executed by [Insert Company name] pursuant to section 127 of the <i>Corporations Act 2001</i> | |
| Signature of Director Name of Director (print) | Signature of Director/Company Secretary <i>(Please delete as applicable)</i> Name of Director/Company Secretary (print) |
| OR Signature of Sole Director and Sole Company Secretary Name of Sole Director and Sole Company Secretary (print) | |
| OR Signed for [Insert name of Representative] by an authorised representative in the presence of: | |
| Signature of witness Name of witness (print) | Signature of authorised representative Name of authorised representative (print) Position of authorised representative (print) |

If the Tenderer is an individual, the document must be executed as follows:

| | |
|--|-------------------|
| Signed by [insert name] in the presence of: | |
| Signature of witness | Tenderer |
| Name of witness (print) | |

If the Tenderer is a partnership, the Tender must be executed as follows:

Partner 1:

| | |
|---|-------------------------------|
| Signed sealed and delivered by [insert name] in the presence of: | |
| Signature of witness | Signature of partner |
| Name of witness (print) | |
| Address of witness (print) | |

Partner 2:

| | |
|---|-------------------------------|
| Signed sealed and delivered by [insert name] in the presence of: | |
| Signature of witness | Signature of partner |
| Name of witness (print) | |
| Address of witness (print) | |

Schedule 2 Tenderer's Details

| | |
|---|--|
| <p>1. Name of Tenderer</p> <p>State in full the name(s) of the person(s) or the registered name(s) of the company(s) and trading names.</p> <p>ABN</p> | |
| <p>2. Contact person</p> <p>Nominate a contact person for this tender to deal with any questions or queries that may arise.</p> | |
| <p>3. Registered address</p> | |
| <p>4. Postal address</p> | |
| <p>5. Telephone</p> | |
| <p>6. Fax</p> | |
| <p>7. Email</p> | |
| <p>8. Tender conditions</p> <p>Tenderer to sign that it has read and understood this RFT and the Conditions of Tender.</p> | |
| <p>9. Amendments to Tender Documents</p> <p>Tenderer to indicate the amendments it requests.</p> | |

Schedule 3 Referees

Details of at least three references for similar work and information on the approximate date when work was completed and the approximate value of work undertaken.

Reuse this page if more than three references are provided.

Client Name:

Address:

Contact Name:

Telephone:

Date of Work:

Value of Work:

Client Name:

Address:

Contact Name:

Telephone:

Date of Work:

Value of Work:

Client Name:

Address:

Contact Name:

Telephone:

Date of Work:

Value of Work:

RELEASED

Schedule 4 Conflict of Interest

Provide details of any interest, relationship or clients which may or do give rise to a conflict of interest and the issue about which that conflict or potential conflict does or may arise.

RELEASED

Schedule 5 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).

RELEASED

Schedule 6 Value Added Services

Describe the level of quality assurance in place in the Tenderer's organisation and plans to move to quality accreditation if not presently accredited.

Provide details of contracts performed by the Tenderer under its Quality Assurance System.

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

RELEASED

Schedule 7 Timeframes - Implementation Schedule

1. Implementation schedule

Tenderers must provide a comprehensive project plan outlining all activities required and key date timelines for each activity to be undertaken in the financial year.

RELEASED

Schedule 8 Financial Capacity

1. Banker's Name:

Address:

.....

2. What is the issued capital of the Tenderer's Company: \$.....

3. Net asset value of the Tenderer's Company: \$.....

4. To assist in the evaluation of your financial capability please attach copies of audited profit and loss accounts, balance sheets and statement of cash flows for the last two financial years, as certified by a public accountant.

5. What percentage of the Tenderer's South Australian business does this tender represent in terms of turnover?

_____ %

RELEASED

Schedule 9 Insurance

Provide details of insurance currently held by you and any proposed subcontractor that would be extended to provide cover for work under the Contract.

| Insurance type | Policy no | Extent of cover | | Expiry date | Name of insurer |
|--|-----------|------------------|------------------|-------------|-----------------|
| | | Per incident \$A | In aggregate \$A | | |
| Public and products liability | | | | | |
| Professional indemnity (if applicable) | | | | | |
| Property and facilities | | | | | |
| Contents | | | | | |
| Vehicles plant & equipment | | | | | |
| Workers compensation | | | | | |
| Directors and officers (if applicable) | | | | | |
| Other | | | | | |

RELEASED

Schedule 10 Organisation Structure, Facilities and Resources

1. Organisation structure

Provide details of the staff and the organisation structure proposed to be used for performance of the Services. Details must include but not be limited to:

- Company structure to be used to support the Services including size and location of office, organisation structure
- Number of staff proposed to be used and their qualifications and experience
- Details of the award, enterprise agreement, and/or local area workplace agreement, under which staff will be employed, and rates of pay, conditions, or allowances

2. Key Employees (Provide details)

3. Other details (eg specific plant & equipment, vehicles)

4. Facilities (Provide details)

5. Proposed subcontractors

Provide details in the Table below the proposed major sub-contractors or other representatives to be employed or engaged by the Tenderer. The Tenderer must define the scope and extent of Services to be provided by sub-contractors.

| Subcontractor's name and address | Services to be provided | Item(s) |
|---|--------------------------------|----------------|
| | | |
| | | |
| | | |

6. Contingency arrangements

Provide details of contingency arrangements should any facilities or sites required to facilitate the Contract become unavailable in the short and long term.

Schedule 11 Performance

1. Past performance

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

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

Has the Tenderer terminated a project in the last five years? If yes please provide brief details.

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.

Previous Council audits conducted.

Please provide examples of previous projects of similar nature, size or value to that specified with other Councils.

| Project Description | Value \$ | Duration |
|---------------------|----------|----------|
| | | |
| | | |
| | | |

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.

3. **Other commitments**

Provide details of other work commitments expected to continue during this Contract.

RELEASED

Schedule 12 Work Health & Safety & Risk Management

1. Tenderer Work Health and Safety Management System Questionnaire

- 1.1 **Work Health and Safety policy and management** **Yes** **No**
- (a) Does the Tenderer have a written Work Health and Safety Policy?

If yes provide a copy of policy

Comments:

1.2 **Safe work practices and procedures**

- (a) Has the Tenderer prepared safe operating procedures or specific safety instructions relevant to its operations?

If yes provide a summary listing of procedures or instructions

Comments:

.....

.....

1.3 **Work Health and Safety training**

- (a) Describe how work health and safety training is conducted in your company:

.....

.....

- (b) Is a record maintained of all training and induction programs undertaken for employees in your company?

If yes provide examples of work health and safety training records:

.....

.....

1.4 **Work Health and Safety workplace inspection**

- (a) Are regular work health and safety inspections at worksites undertaken?

If yes provide details:

.....
.....

1.5 **Work Health and Safety consultation**

- (a) Is there a work health and safety committee?

- (b) Are employees involved in decision making over work health and safety matters?

If yes please provide details:

.....
.....

- (c) Are there employee elected work health and safety representatives?

Comments:

1.6 **Work Health and Safety performance monitoring**

- (a) Is there a system for recording and analysing work health and safety performance statistics?

If yes provide details:

.....
.....

- (b) Are employees regularly provided with information on company work health and safety performance?

If yes provide details:

.....
.....

(c) Has the company ever been convicted of a work health and safety offence?

If yes provide details:

.....

.....

RELEASED

Schedule 13 Licences, Permits and Accreditation

List details of any licences or accreditations required or relevant to this Tender.

| Licence Type (Please indicate ✓) | Details (eg Licence No., date of expiry, Permitted Activity) |
|--|--|
| <input type="checkbox"/> Registered Company Auditor | |
| <input type="checkbox"/> Professional membership Registration (CA/CPA) | |
| <input type="checkbox"/> Name of Lead Auditor/Signing Partner | |
| <input type="checkbox"/> Registered for GST | |
| | |
| | |
| | |
| | |

RELEASED

Project Name: Tender External Auditor

Date:

Evaluation Panel Members: Evaluation Member 1
Evaluation Member 2
Evaluation Member 3

Tender Respondent: Contractor 1
Contractor 2

Ranking
0.00 1
0.00 1

SUMMARY

| Evaluation Criteria | Weighting | Contractor 1 | Contractor 2 |
|--|-----------|--------------|--------------|
| COST Value for money, whole of life cost | 25.0% | 0.00 | 0.00 |
| TIMEFRAMES Ability to deliver in timeframe, project schedules | 10.0% | 0.00 | 0.00 |
| CAPABILITY/CAPACITY Factors to consider: Understanding of Requirements, Knowledge & Experience in the Industry, Infrastructure and Other Support, Staff Resources, Methodology) | 25.0% | 0.00 | 0.00 |
| PERFORMANCE Factors to consider: Current Work, Previous Work, Previous Local Government Experience, Mechanisms for Monitoring Contractual Performance, Industrial Relations, OHS&W, Equal Opportunity) | 20.0% | 0.00 | 0.00 |
| VALUE ADD Factors to consider: Quality of service, Value Add, Improvement, Licence & Accreditation etc. | 20.0% | 0.00 | 0.00 |
| TOTAL WEIGHTED SCORE | 100% | 0.00 | 0.00 |



The Corporation of the Town of Walkerville

Tender for the

**Provision of External Audit
Services for 2020-21 to 2022-23**

WALK048177 (COR002-20/21)

Section E

1. **Section E – Tender Response Schedules**

SECTION E – TENDER RESPONSE SCHEDULES FOR SERVICES

RELEASED

Schedule 1 Tender Form – Formal Offer

We: UHY HAINES NORTON ADELAIDE (Tenderer) **on:** 25th November 2020

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 Services described in the Specifications of the 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 Specification, as per RFT which form part of the Tender Documents subject only to the variations set out in Schedule 1;
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, I/we/it will execute and be bound by the Contract in accordance with the Conditions of Tendering.

If the Tenderer is a company, it must execute this Tender as follows:



| | |
|--|---|
| Executed by [Insert Company name] pursuant to section 127 of the <i>Corporations Act 2001</i> | |
| Signature of Director | Signature of Director/Company Secretary <i>(Please delete as applicable)</i> |
| Name of Director (print) | Name of Director/Company Secretary (print) |
| OR | |
| Signature of Sole Director and Sole Company Secretary | |
| Name of Sole Director and Sole Company Secretary (print) | |
| OR Signed for [Insert name of Representative] by an authorised representative in the presence of: | |
| Signature of witness | Signature of authorised representative |
| Name of witness (print) | Name of authorised representative (print) |
| | Position of authorised representative (print) |

If the Tenderer is an individual, the document must be executed as follows:

| | |
|--|-------------------|
| Signed by [insert name] in the presence of: | |
| _____ Signature of witness | _____ Tenderer |
| _____ Name of witness (print) | |

If the Tenderer is a partnership, the Tender must be executed as follows:

Partner 1:

| | |
|--|--|
| Signed sealed and delivered by Dario Nazzari in the presence of: | |
|  _____ Signature of witness |  _____ Signature of partner |
| Kristy Watson _____ Name of witness (print) | |
| 25 Peel Street, Adelaide _____ Address of witness (print) | |

Partner 2:

| | |
|---|-------------------------------|
| Signed sealed and delivered by [insert name] in the presence of: | |
| _____ Signature of witness | _____ Signature of partner |
| _____ Name of witness (print) | |
| _____ Address of witness (print) | |

Schedule 2 Tenderer's Details

| | |
|---|--|
| <p>1. Name of Tenderer</p> <p>State in full the name(s) of the person(s) or the registered name(s) of the company(s) and trading names.</p> <p>ABN</p> | <p>Registered Name: D Nazzari & The Trustee for the DN Practice Trust</p> <p>Trading Name: UHY Haines Norton</p> <p>37 223 967 491</p> |
| <p>2. Contact person</p> <p>Nominate a contact person for this tender to deal with any questions or queries that may arise.</p> | <p>Dario Nazzari</p> |
| <p>3. Registered address</p> | <p>25 Peel Street, Adelaide, SA, 5000</p> |
| <p>4. Postal address</p> | <p>PO Box 8070 Station Arcade, Adelaide, SA, 5000</p> |
| <p>5. Telephone</p> | <p>(08) 8110 0999</p> |
| <p>6. Fax</p> | <p>(08) 8110 0900</p> |
| <p>7. Email</p> | <p>dario@uhyhnadl.com.au</p> |
| <p>8. Tender conditions</p> <p>Tenderer to sign that it has read and understood this RFT and the Conditions of Tender.</p> |  |
| <p>9. Amendments to Tender Documents</p> <p>Tenderer to indicate the amendments it requests.</p> | |

Schedule 3 Referees

Details of at least three references for similar work and information on the approximate date when work was completed and the approximate value of work undertaken.

Reuse this page if more than three references are provided.

Client Name: Copper Coast Council

Address: 51 Taylor Street, Kadina, SA, 5554

Contact Name: Katrina Borlace – Director of Corporate Services

Telephone: (08) 8828 1200

Date of Work: 30 June 2014 – 30 June 2018

Value of Work: \$86,447

Client Name: Co-operative Taxi Cabs Society Ltd

Address: 99 Henley Beach Road, Mile End, SA, 5031

Contact Name: Evelyn Michas

Telephone: (08) 8202 1200

Date of Work: On-going

Value of Work: \$32,000

Client Name: Rosha Pty Ltd

Address: 58 Chief Street, Brompton, SA, 5007

Contact Name: Teresa Labrosciano

Telephone: (08) 8346 6519

Date of Work: On-going

Value of Work: \$35,000

RELEASED

Schedule 4 Conflict of Interest

Provide details of any interest, relationship or clients which may or do give rise to a conflict of interest and the issue about which that conflict or potential conflict does or may arise.

Our Local Government Consultant, Corinne Garrett, was recently on the Town of Walkerville's audit committee, but Corinne has now ceased her role on the committee. We can therefore confirm that there are no current conflict of interest between UHY Haines Norton and Town of Walkerville.

We constantly perform checks of our partners, staff and client base and have sound and robust systems in place to ensure our independence is not compromised through conflicts of interest – real and/or perceived. Because of this, we can advise Council of any conflicts of interest if they arise in a timely fashion. If any potential conflict of interest were to arise, we would advise Council immediately and determine an appropriate course of action to resolve the conflict.

RELEASED

Schedule 5 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).

While fees may not be the dominant factor in selecting your external auditors, you should expect value for money. Quality, not fees, determines our risk approach. We believe this is essential to ensure that we deliver the highest standards of service.

Our fees for the services required for the 2020/21 FY will be **\$21,000**, exclusive of GST. The fee has been determined as follows:

| Item | Item Description | Amount |
|---------------------------|---|-----------------|
| Fee for Service | Annual Fee for providing external audit services on the Council's financial statements. | \$16,750 |
| Fee for Service | Annual Fee for providing external audit services on the Council's internal controls. | \$4,250 |
| Travel Costs (Capped) | | \$0.00 |
| Total Quote Amount | | \$21,000 |

Our proposed audit fees for the 3 year period commencing the 2020/2021 FY are as follows:

| Year | Financial statement Audit | Internal Controls Opinion Audit | Travel Costs (Capped) | Total Fees (excl. GST) |
|---------------|---------------------------|---------------------------------|-----------------------|------------------------|
| 2020/2021 FY | \$16,750 | \$4,250 | \$0.00 | \$21,000 |
| 2021/2022 FY | \$16,750 | \$4,250 | \$0.00 | \$21,000 |
| 2022/2023 FY | \$16,750 | \$4,250 | \$0.00 | \$21,000 |
| Total: | | | | \$63,000 |

The proposed fees include discussions with the Audit Committee/Council on matters relating to the audit.

The proposed fees assumes that there will be no material change in the scope of the audit requirements as a result of changes to the Council's circumstances nor in the rate of the GST.

We require Council to maintain adequate accounting records and prepare the annual financial report in accordance with applicable accounting standards.

Our fees are also based on the assumption that all information requirements are met (prior to our interim and year end visits an information requirements letter will be sent), that no major accounting or system weaknesses are encountered which would require any abnormal additional investigation and testing, and that our audit engagement team will have access to Council's relevant personnel during the audit so we can resolve any issues as and when they arise.

In the event of a significant change in the required scope the audit fees may be re-negotiated.

Our usual practice includes providing clients with an audit requirements letter summarising our information requirements for the audit.

Should we be successful, our fees for the audit of the financial statements will be billed in three instalments and all invoices will be issued subject to our normal business terms and conditions.

Any additional work performed outside of the scope of this quote will be negotiated and billed separately.

Our audit fee includes attendance to the audit committee meetings when required by the Council.

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Schedule 6 Value Added Services

Describe the level of quality assurance in place in the Tenderer's organisation and plans to move to quality accreditation if not presently accredited.

UHY Haines Norton Adelaide complies with the Institute of Chartered Accountants' quality control standards as prescribed by APES320 – Quality Control for Firms. Our quality assurance policies and procedures are in place to ensure consistency of service and advice provided to clients. Under this standard, the firm is required to establish policies and procedures designed to provide it with reasonable assurance that the firm and its personnel maintain independence.

The firm has addressed the above requirements by developing and implementing its Quality Control Manual.

All reports issued by UHY Haines Norton Adelaide are subject to rigorous internal quality assessment.

Draft reports of findings and recommendations are discussed with our client's senior management before final submission to ensure that findings and reporting context are accurate.

Being a firm of Registered Company Auditors operating on public interest entities, we are subject to robust oversight by the Australian Securities Investment Commission.

The quality review process is further enhanced by a peer review conducted by The Institute of Chartered Accountants practice reviews program. The UHY Haines Norton network requires each firm in the network to undergo a quality review of their processes.

Our staff's individual professional memberships also require standards of professional conduct and quality.

Provide details of contracts performed by the Tenderer under its Quality Assurance System.

All of our contracts are performed as per our Quality Control system.

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

The additional benefits UHY Haines Norton Adelaide can offer to the Town of Walkerville are as follows:

- Our engagement staff can provide information sessions to the Audit Committee and staff on any new accounting standards and updates that may arise.
- Staff are able to contact UHY Haines Norton Adelaide on any financial statement related matter as required.
- We have a broad range of audit clients and we are not over committed to anyone industry. This means we have a range of audit completion dates throughout the year. This will enable us to undertake your audit without timing conflicts that can exist for firms that have multiple local government clients.

Schedule 7 Timeframes - Implementation Schedule

1. Implementation schedule

Tenderers must provide a comprehensive project plan outlining all activities required and key date timelines for each activity to be undertaken in the financial year.

FINANCIAL STATEMENT AUDIT

UHY HAINES NORTON AUDIT METHODOLOGY

Our audit will be carried out in accordance with Australian Auditing Standards with an objective of expressing an opinion on the accounts and annual financial reports.

AUDIT PLAN

The audit will be planned in accordance with Australian Auditing Standard ASA300 "Planning an Audit of a Financial Report" and ASA320 "Materiality in Planning and Performing an Audit" to enable us to conduct an effective audit in an efficient and timely manner. Our plan will be based on our knowledge of the Council's activities and our evaluation of the risk base activities of the entity in accordance with ASA315 "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment". This will be developed and revised as considered necessary during the course of the audit. The emphasis of our audit will focus on the significant risk areas while also ensuring that the Council complies with all legislative and funding requirements.

Our audit planning stage covers the following procedures:

- Obtaining knowledge of Council's current activities, accounting system, policies and internal control procedures, including the internal audit and audit committee functions (if applicable)
- Determining materiality levels in accordance with Australian Auditing Standards ASA320 "Materiality in Planning and Performing an Audit"
- Assessing inherent risk and relating this assessment to material account balances and classes of transactions at the assertion level
- Obtaining an understanding of the internal control structure. Evaluating the operation of the internal control structure and making a preliminary assessment of control risk. This assessment of control risk will determine the nature, timing and extent of other audit procedures
- Evaluation of the effectiveness and efficiency of controls and systems
- Determining and programming the nature, timing and extent of the audit procedures to be performed
- Consideration of opening balances in accordance with ASA510 "Initial Audit Engagements – Opening Balances".

RISK ASSESSMENTS AND INTERNAL CONTROLS

A review will be made of all significant areas of Council's operations to determine the risk.

Audit risk has three components:

- Inherent risk – (the risk that material errors will occur)
- Control risk – (the risk that the system of internal control will not prevent or detect misstatement)
- Detection risk – (the risk that the substantive audit procedures will not detect misstatement in account balances and or class of transactions.)

Our audit is planned to achieve an appropriate acceptable level of audit risk. From the preliminary assessment of control risk (in conjunction with the assessment of inherent risk) the appropriate detection risk to accept for financial report assertions will be determined.

This stage will also consider ASA240 “The Auditor’s Responsibilities Relating to Fraud in an Audit of a Financial Report” and the audit plan will be amended if necessary.

SCOPE

Our audit will be conducted in accordance with Australian Auditing Standards.

The service required to be provided to the Council includes, but is not limited to:

- Audit of the general purpose financial statements for each year, based upon the requirements of *the Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.
- Audit of the Council’s Internal Controls for each year, based upon the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.
- Audit of the Local Government Workers Compensation Scheme, employees remuneration statement for each year;
- Audit of the Australian Arid Lands Botanic Garden Trust Financial Statements for each year;
- Audit of the Roads to Recovery grant each year;
- Audit of other grant acquittals as required;
- Provision of independent advice to the Council’s Audit Committee by attendance either in person or by phone.

In addition to the above, the services to be provided will include reasonable services which a professional auditor would normally supply. These could include services such as evaluating the effectiveness and efficiency of accounting systems or interpretations of new or revised accounting standards, etc.

APPROACH TO KEY AUDITABLE AREAS AND ACTIVITIES

Key auditable areas and activities determined in planning stage from:

- Knowledge of client’s business
- Materiality
- Risk assessment.

Audit procedures and tests will be developed to form an opinion on the assertions by management either explicitly or implicitly of each key auditable area and activity.

These assertions can be categorised as follows:

- Existence or Occurrence – audit procedures will determine whether reported assets and liabilities actually existed at balance date and transactions reported in the income statement actually occurred during the period covered

- Completeness – audit procedures will determine whether all transactions and accounts that should be included in the financial report are included and there are no undisclosed assets, liabilities or transactions
- Rights and Obligations – audit procedures will determine whether the entity owns and has a clear title to the assets, the liabilities are obligations of the entity and the entity was actually a party to reported transactions.
- Valuation or Allocation – audit procedures will determine whether the assets and liabilities are valued properly and the revenues and expenses are measured properly.
- Presentation and Disclosures – the financial report will be reviewed in detail to ensure the assets, liabilities, revenues and expenses are properly described and disclosed on the financial report.

As part of these procedures the following will be completed:

- Third party confirmations will be obtained to verify all major assets and liabilities
- Financial report will be analytically reviewed and all individual assets, liabilities and profit and loss items within a material variance will be investigated and satisfactory explanation obtained
- Financial report will be reviewed to ensure compliance with all legislative requirements and Australian Accounting Standards
- Review of post balance date events, contingent liabilities and capital commitments
- Consideration will be given to the future viability of the entity including the ability to pay its debts as and when they become due and payable and whether the basis of preparing the financial report on the going concern concept is relevant.

REPORTING

Management Letters

Any significant and/or unusual developments arising during the course of our examinations will be communicated in a management letter to the Principal Member of Council, the Council's Audit Committee and the Chief Executive Officer.

Our management letter will detail all issues of major significance observed during the course of the audit. These reports would set out particulars such as, but not limited to:

- Any significant adverse trends in the financial performance, financial position or financial management practices of the Council and any irregularities in the Council's accounting practices or in the management of the Council's financial affairs during the course of the audit. Where management has taken steps to correct or improve the financial performance, financial position, financial management practices or management of the Council's financial affairs, we will comment on the efficacy of the correction or improvement;
- 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 Misstatements through Understanding the Entity and its Environment*, other relevant auditing standards and the *LGA Better Practice Model – Internal Financial Controls*. Where weaknesses have been identified and management has proposed or adopted remedial action to rectify the weaknesses, we will comment on the efficacy of the proposed or adopted course of action. Where weaknesses have not been addressed we will make suggestions for addressing the weaknesses;
- Whether the Council, through its Audit Committee, is regularly monitoring and assessing the adequacy and effectiveness of the risk management framework and activities;

- Failure to operate key controls over Council's activities;
- Material errors or breaches of the Council's policies and procedures;
- Instances where Council fails to comply with appropriate legislation;
- Acts of lack of proprietary or probity;
- Failure to maintain proper accounts and records;
- Matters related to the efficient and effective operations of Council noted during the course of the audit;
- The appropriateness of the valuation and depreciation methodologies being used in respect of infrastructure assets. This will include ensuring that useful lives and residual values of infrastructure appear realistic.

All reports will be discussed in detail with appropriate officers before being released and all reports will be addressed to the agreed person within the Council.

Independent Audit Reports on Financial Statements

Audit opinions on the financial statements will be provided after completion of the audits i.e. after the receipts of all confirmations, letter of representations and the signing of the financial statements by nominated staff members.

The audit opinions will be in the form required by Australian Auditing Standards and statutory requirements.

EXTERNAL AUDIT METHODOLOGY

Our philosophy for external audit is one that is risk-based, value-focused, independent and objective. In our view, for audit to be a well-regarded and valued function it must:

- Provide value with constructive business advice;
- Maximise the transfer of knowledge from our organisation to the Council;
- Encourage better risk management and a greater understanding of Council's risks and controls; and
- Build strong foundations which deliver service through proven audit support and delivery processes, global leading practices and appropriate application of enabling tools and technologies that comply with professional standards.

Our audit methodology ensures that key risks and controls are properly assessed, effective assurance procedures are designed and performed and the results and outcomes are cost-effective, commercially acceptable and industry relevant.

The methodology is highly developed with efficiencies to be passed on through the use of computerised working papers and programs specifically tailored to the Council's profile and in accordance with our up-to-the-minute systems and procedures.

TAILORED AUDIT PROGRAMS

In all aspects of your requirements we are able to meet the needs of the Council on a basis which is not an institutional one as it is tailored to Council's circumstances.

Our audit procedures involve an ongoing planning phase which will be finalised prior to or at the commencement of our interim audit visit. Our planned procedures will change during the course of each annual audit.

A CONSULTATIVE APPROACH

All audit work will be planned in consultation with Council's management so any issues or concerns are covered by the audit and the work can be performed with minimal disruption. By review and discussion with management we will assess the risks, accounting procedures, financial reports and processes and the financial controls. The engagement partner has a "hands on" approach to establish the work plans and agree the audit processes and timing.

A RISK BASED AUDIT APPROACH

Our risk based audit methodology identifies all risks assessed in descending order of potential worst-case exposure on the assumption that the effectiveness of controls is unlikely to diminish or fail.

NO SURPRISES

At this planning phase we will forward an engagement letter and audit plan to management and the Audit and Risk Committee outlining the audit areas to be addressed. This will allow the Council to request additional audit coverage should it be deemed necessary.

Our main audit responsibility will be to conduct an audit so as to provide the Council with an independent audit opinion as to whether, in all material respects, its accounts and annual financial statements are presented fairly in accordance with:

- Australian Auditing Standards;
- Auditing practice and standard statements issued jointly from time to time by Chartered Accountants Australia New Zealand and CPA Australia;
- The Local Government Act and Regulations; and
- Any other relevant legislative provisions.

All audit work will be planned in consultation with management so that it can be performed with minimal disruption to the Council.

DETERMINATION OF MATERIALITY

UHY Haines Norton will use our experience of auditing Local Government entities, our risk assessment of the Council and professional judgement to determine planning materiality. We use a standard materiality worksheet, which is compliant with ASA 320 *Materiality in Planning and Performing an Audit* to document our assessment of materiality. Our materiality level is the highest amount of misstatements or omissions that if exceeded, could reasonably be expected to influence the decision of users. The worksheet uses financial data for the current and prior year in order to provide a range of materiality values, with qualitative factors determining our selection of a value within the range. Factors of a qualitative nature include:

- Financial performance trends;
- Impact of misstatements resulting from non-compliance with loan covenants;
- Contractual agreements, regulatory provisions and statutory/regulatory reporting;
- Number of users of the financial statements;
- Complexity and subjectivity of account balances;
- History of audit adjustments; and
- Significant contingent liabilities.

In practice we have adopted separate materiality levels for the balance sheet and profit & loss when auditing other Authorities. Due to the significant dollar value of IPPE, we found a separate materiality level was required for the profit and loss and other line items in the balance sheet to avoid many of the account balances being below materiality.

The Engagement Partner reviews the materiality worksheet prior to the commencement of any audit work and also directs staff to the percentage of materiality to apply to specific account balances, based upon the risk profile of the account balance.

Following the completion of audit testing, the materiality level is reviewed to determine if it is still appropriate.

SAMPLING TECHNIQUES

The firm uses a variety of testing and sampling techniques in order to achieve and obtain sufficient audit evidence to base a conclusion on. Our method of sampling may depend on:

- Nature of the items being tested
- If there are individually significant transactions within the account balance
- The combined risk assessment
- The dollar value of the account balance compared to the materiality level.

Where appropriate we will use statistically proven sampling techniques to determine a sample size. We appreciate the need for an element of unpredictability in our sample selection and will consider this factor for all account balances.

AUDIT PLAN

Our audit is planned and conducted under the supervision of the Engagement Partner, Managing Partner and Audit Manager and broken up into interim and final visits. A high-level summary of our planned audit process is as follows.

Please note that this is not an exhaustive list and additional procedures may be performed on these account balances and other account balances not listed may also be tested.

| Critical Audit Area | Audit Approach | Timing |
|----------------------------------|---|--|
| Roles and Responsibilities | Review compliance with roles and responsibilities. This is carried out throughout our audit testing. | Interim/Final |
| Delegated Authorities | <p>Delegated authorities are tested within our procurement and payment testing. All procurement and payments that are sampled within our audit processes are subjected to assessment of the appropriate delegated authority.</p> <p>We review the delegated authorities to determine whether the levels appear reasonable.</p> <p>The internal controls surrounding the maintenance of delegated authorities is also reviewed and tested.</p> | <p>Interim/Final</p> <p>Interim</p> <p>Interim</p> |
| Council/Committee Minutes | <p>All Council and Committee minutes are reviewed by our staff, with particular attention paid to items that may affect the Council in a financial sense. These issues are then followed up to ensure they have been accounted for correctly.</p> <p>Minutes are also reviewed to ensure they meet legislative requirements.</p> | <p>Interim/Final</p> <p>Interim/Final</p> |
| Strategic/Business/Risk Planning | <p>We will undertake a review of the key strategic documents and key controls for Council with respect to strategic, business and risk planning.</p> <p>An assessment will be made as to whether these controls are operating effectively and determine the impact of such controls on the decision making process for Council.</p> | <p>Interim</p> <p>Interim</p> |

| Critical Audit Area | Audit Approach | Timing |
|--------------------------------|--|---------------|
| Budget Management | Obtain copies of all of the budget reviews and assess for compliance with legislative requirements. | Interim/Final |
| | Document the budget process and the extent of involvement of senior key employees. Assess the quality of the information contained within the budget documents. | Interim/Final |
| Internal Controls/ICT Security | Document, assess and test internal controls in line with the Local Government Best Practice Model. (Please note that this is conducted as part of our 'financial statement' audit. Additional in depth testing of controls is also undertaken as part of our 'internal control' audit). | Interim/Final |
| | ICT Security is assessed at the base level by auditors, however we recommend the engagement of an 'IT expert' to provide Council with a detailed assessment of their current risk. Due to the technical nature of ICT Security, we can only perform procedures to satisfy ourselves of the integrity of data being audited, we cannot provide any assurance or recommendations on the integrity of the ICT security. | Interim/Final |
| Overall Governance and Control | Review compliance of all areas of <i>Local Government Act 1999</i> and <i>Local Government (Financial Management) Regulations 2011</i> . | Interim/Final |
| IT Controls | Document IT processes and identify controls. | Interim |
| | Testing of IT controls to assess their level of effectiveness. | Interim |
| | Analyse the effectiveness of IT controls and determine our level of comfort in relying on controls to form an opinion on the financial statements. | Interim |
| | Identify and report any obvious threats to Council's network | Interim |
| Rates and Annual Charges | Document and test controls over the rates and annual charges process. | Interim |
| | Use Computer Assisted Auditing Techniques (CATT) capabilities to substantively test the accuracy, completeness and valuation of rates and annual charges with reference to Valuer Generals report and Council approved rates. | Interim/Final |
| | Test IT application controls around the rates and annual charges cycle and the receipting cycle. | Interim |

| Critical Audit Area | Audit Approach | Timing |
|--------------------------------------|---|---|
| | Perform an overall analytical review of Rates and Annual charges for the year with reference to prior year audited accounts and approved budget | Final |
| Grant Revenue | Obtain and understand grant funding terms and conditions for significant grant revenue Obtain confirmations from grant funding providers for grants paid during the year to the council Substantively test a sample of expenditure for significant grant revenues to ensure expenditure is in terms with the funding terms and conditions Substantively test expenditure for those grants requiring separate audit reports to ensure expenditure is in terms with the funding terms and conditions | Interim Final Interim/Final Interim/Final |
| User Fees & Charges | Document and test controls over user fees and charges process. Substantively test a sample of User Fees and Charges with reference to original invoice, management approval of fees and charges and recording in the general ledger. Test IT application controls surrounding user fees and charges and receipting cycles. Perform an overall analytical review of user fees and charges for the year with reference to prior year audited accounts and approved budget. | Interim Interim/ Final Interim/ Final Interim/ Final |
| Profit on sale of Non-Current Assets | Obtain evidence of sale, recalculate profit on sale and ensure that the asset has been removed from the asset register. | Interim/Final |
| Other Revenue | Document and substantively test all other revenue streams. | Interim/ Final |
| Salary and Wages | Document and test controls over salary and wages expenditure. Substantively test a sample of salary and wages expenses to ensure audit assertions are met. Includes recalculation of payroll parameters and verification of expenses to source documents, i.e. timesheets, employee declarations. Test IT application controls surrounding the payroll cycle Perform an overall analytical review of salary and wages | Interim Interim/ Final Interim Final |

| Critical Audit Area | Audit Approach | Timing |
|------------------------------------|--|---|
| | expenses for the year with reference to prior year audited accounts and approved budget. | |
| Depreciation | <p>Perform analytical procedures over depreciation expense for the year by comparing to prior year expense and effective depreciation rates on asset categories.</p> <p>Substantively test a sample of depreciation charges for the year.</p> <p>Determine testing procedures based on substantive procedures performed and testing results in Infrastructure, Property, Plant and Equipment section.</p> | <p>Final</p> <p>Final</p> <p>Final</p> |
| Materials and Contracts | <p>Document and test controls over expenditure and procurement.</p> <p>Substantively test a sample of expenses with reference to original invoice and recording in the general ledger.</p> <p>Identify a sample of tenders to check for compliance with legislation and procurement policies.</p> <p>Test IT application controls surrounding the procurement cycle.</p> <p>Review contracts to ensure stage completion has been signed off prior to authorisation of invoices. Ensure adequate authorisation/delegated authority.</p> <p>Perform an overall analytical review of expenses for the year with reference to prior year audited accounts and approved budget.</p> | <p>Interim</p> <p>Interim/ Final</p> <p>Interim</p> <p>Interim/Final</p> <p>Interim/ Final</p> <p>Final</p> |
| Loss on sale of Non-Current Assets | Obtain evidence of sale, recalculate loss on sale and ensure that the asset has been removed from the asset register. | Interim/Final |
| Insurance | <p>Obtain copies of the current insurance policies. Ensure the payments have been accrued in the correct period.</p> <p>Perform a surface calculation to assess whether the insurance coverage is adequate.</p> <p>Ensure assets that are insured are owed by Council and ensure assets on the asset register that should be insured are included in the policy.</p> | <p>Interim/Final</p> <p>Final</p> <p>Final</p> |
| Bad Debts | Obtain an ageing accounts receivable trial balance at various times throughout the financial year, as well as subsequent to | Interim/Final |

| Critical Audit Area | Audit Approach | Timing |
|-----------------------------|--|--|
| | the end of year. Assess for potential bad debts. Obtain status reports for all potential bad debts. Make an assessment of the likelihood of the debt turning bad and allocate an appropriate provision, otherwise recommend the debt be written off. | |
| Other Expenditure | <p>Document and test controls over expenditure and procurement.</p> <p>Substantively test a sample of expenses with reference to original invoice and recording in the general ledger. This includes testing of bank details, amounts, correct delegations of authority, etc.</p> <p>Test IT application controls surrounding the procurement cycle.</p> <p>Perform an overall analytical review of expenses for the year with reference to prior year audited accounts and approved budget.</p> | <p>Interim</p> <p>Interim/ Final</p> <p>Interim</p> <p>Final</p> |
| Cash and Investments | <p>Document and test controls over cash receipts and payments process.</p> <p>Obtain bank reconciliations and test a sample reconciling items and closing balance back to bank statements</p> <p>Obtain bank confirmations to confirm year end balances of all cash and investments.</p> <p>Review the classification of investments with reference to AASB 139 and determine if subsequent measurement of the investment is classified appropriately.</p> | <p>Interim</p> <p>Interim</p> <p>Final</p> <p>Final</p> |
| Receivables and Prepayments | <p>Document and test controls surrounding the recording of receivables and prepayments.</p> <p>Test receivables outstanding at balance date to subsequent receipts to confirm payment.</p> <p>Test prepayment calculation and confirm to source documents.</p> <p>Review subsequent cash receipts to ensure cut off procedures are adequate.</p> | <p>Interim</p> <p>Final</p> <p>Final</p> <p>Final</p> |
| Inventories | <p>Obtain a list of the Council's inventory. Perform substantive tests to ensure that the inventory list is complete and inventory has been valued accurately.</p> <p>Document procedures surrounding inventory maintenance</p> | <p>Interim/Final</p> <p>Interim/ Final</p> |

| Critical Audit Area | Audit Approach | Timing |
|---|--|---------------|
| | and recording, identify any weaknesses in controls. | |
| Property, Plant, Furniture and Equipment | Document and test controls over the procurement and disposal of assets. | Interim |
| | Substantively test a sample of asset additions and disposals for the year, ensuring profit and loss has been accounted for correctly. | Interim/Final |
| | Substantively test a sample of depreciation charges for the year. Assess depreciation methodology principles used and ensure they have been applied consistently. Ensure these principles are in accordance with Note 1 of the financial statements. | Final |
| | Substantively test a sample of depreciation charges for the year. Assess depreciation methodology principles used and ensure they have been applied consistently. Ensure these principles are in accordance with Note 1 of the financial statements. | Final |
| | Perform analytical procedures over depreciation expense for the year by comparing to prior year expense and effective depreciation rates on asset categories | Interim/Final |
| | Sight a sample of assets | Final |
| | Perform tests to ensure the asset registers are accurate and are not materially misstated. | Final |
| | Ensure assets on the asset register have been adequately insured. | Final |
| Infrastructure and Accumulated Depreciation | Document and test controls over capital expenditure and asset disposals. Ensure profit and loss on sale has been accurately recorded. | Interim/Final |
| | Discuss and understand the methodology applied to any Infrastructure, Property, Plant and Equipment revaluations | Interim/Final |
| | Consider Council's use of an 'expert' in performing the revaluations and perform testing of assumptions made | Final |
| | Substantively test a sample of asset additions and disposals for the year | Final |
| | Substantively test a sample of depreciation charges for the year. Assess depreciation methodology principles used. Assess the consistency and reasonableness of the useful lives, remaining useful lives and depreciation charges. | Final |
| | Perform analytical procedures over depreciation expense for the year by comparing to prior year expense and effective depreciation rates on asset Categories. | Final |
| | Test a sample of assets to ensure they exist and are actually | Final |
| | | |

| Critical Audit Area | Audit Approach | Timing |
|------------------------|--|---|
| | <p>owned by Council. In our experience, land and buildings are often at risk for this issue. Sight a sample of assets, generally motor vehicles, heavy plant, IT assets and other plant and equipment.</p> <p>Ensure the valuation placed on assets has not been materially misstated. This will involve testing a sample of unit costs recorded in the asset register to current market rates (generally obtained through recent tender documents), to ensure they are not materially different.</p> <p>Document our understanding of the condition assessment process and whether we can rely on the work of management experts.</p> <p>Asses the consistency and reasonableness of the useful lives, remaining useful lives and depreciation charges.</p> <p>Assess the risk of impairment on infrastructure assets by reviewing the factors that have impacted on the assets in line with AASB 136 – Impairment of Assets. Discuss with management the processes for identifying impairment of assets and consider any impairment as at reporting date</p> | <p>Final</p> <p>Final</p> <p>Final</p> <p>Final</p> |
| Other Receivables | <p>Loans to Community groups will be matched to a repayment schedule and contract. Outstanding balances will be verified and an assessment made as to whether the community group is adhering to their contract.</p> <p>Work in progress (WIP) will be testing in the same manner as Infrastructure and Accumulated Depreciation (above). Each year WIP will be assessed to determine whether it should have been capitalized and whether it should still be considered WIP.</p> | <p>Interim/Final</p> <p>Final</p> |
| Creditors and Accruals | <p>Perform a search for unrecorded liabilities by reviewing payments made subsequent to year end and unpaid invoices not yet entered into the creditors system.</p> <p>Testing to ensure that all creditors as at year end have subsequently been paid.</p> <p>Perform analytical procedures of accruals by comparing the schedule of payables to the prior year and obtain explanations for significant variations.</p> | <p>Final</p> <p>Final</p> <p>Final</p> |
| Borrowings | <p>Obtain and review loan agreements.</p> <p>Test compliance with any loan covenants or other compliance terms of the loans.</p> | <p>Interim</p> <p>Interim/Final</p> |

| Critical Audit Area | Audit Approach | Timing |
|------------------------------------|--|--------|
| | Check that loan repayments have been made in accordance with the loan repayment schedules. | Final |
| | Obtain external confirmation of loans outstanding as at reporting date. | Final |
| Provisions – Employee Entitlements | Obtain a list of all provisions and substantively test the balances. This involves testing the amount of leave entitled to a sample of employees, ensuring they have adequate documentation for all leave taken during the year. | Final |
| | Test the valuation of the provision by sampling the pay rates used to calculate the employee entitlement. | Final |
| | Testing of the assumptions used to calculate the discounted present value, i.e.. Probability of employee taking the leave. | Final |
| | Testing of rates used to discount the provision to its present value to ensure they are appropriate. | Final |
| Statement of Changes in Equity | Review the opening balances to ensure they correspond to the prior year audited financial statements. | Final |
| | If asset revaluations have been undertaken, ensure they have been calculated correctly and have been put through as ‘other comprehensive income’. | Final |
| | Recalculate the equity recorded for investments in equity accounted businesses. Ensure the amount ties into the financial statement of the equity accounting business. | Final |
| Contingent Liabilities | Discuss with management and legal representatives of Council, any contingencies and other assets/liabilities that are not recognised on the balance sheet. | Final |
| | Obtain solicitor representation letters from legal advisors. | Final |
| Notes to the Financial Statements | Review Note 1 of the financial statements to ensure they accurately reflect the policies of the Council. | Final |
| | Ensure capitalisation thresholds and useful lives stated in Note 1 have been applied to Infrastructure, Property, Plant and Equipment. | Final |
| | Review all notes to ensure they provide a clear and concise assessment of Council’s dealings for the financial year. | Final |
| Statement of Cash Flows | Perform a reasonability assessment of the cash flow statement | Final |

| Critical Audit Area | Audit Approach | Timing |
|----------------------|---|--------|
| | Obtain a copy of the cash flow worksheet, ensure the amounts and excel links have not been compromised and we are satisfied with the integrity of the data. | Final |
| | Ensure all non-cash items have been deducted. | Final |
| Financial Indicators | Recalculate all financial indicators to ensure their mathematical accuracy and completeness. This included previous years' indicators. Investigate any variances. | Final |

INTERNAL CONTROLS OPINION AUDIT

AUDIT SCOPE

Section 129 (1) of the *Local Government Act 1999*, states that our audit must be conducted on *"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."*

As part of the audit, we perform procedures to gain an understanding of the internal control environment relevant to the financial statements. We test the design and effectiveness of the controls that were in place and identify any controls that we believe should be in place. Based on the results of this testing, we then assess the audit risks to determine the nature and extent of our substantive procedures (reconciliations, recalculations, inspection of documentation, etc.).

In order to meet the requirements of s129 of the Act, we then tailored our internal control procedures based on the Better Practice Model prescribed by the *Local Government (Financial Management) Regulations 2011*. We will have already assessed all of the controls in the Better Practice Model during our financial statement audit, we will now identify 'key' controls to conduct further testing.

AUDIT METHODOLOGY

'Key' controls are identified each year and detailed testing is carried out on these controls. This will either give us confidence that the control is working or reveal a weakness that needs to be corrected. Whilst we do not disclose our 'key' controls until our final management report is issued, they are controls that we consider significant to enable us to provide our opinion in accordance with the Act and also provide confidence that internal controls are operating across all aspects of the Council. To ensure this, we change the composition of our 'key' controls each year to ensure consistency across Council. Whilst we review and tested all 'core' controls (as defined in the Better Practice Model), that are in operation within Council during our financial statement audit, we are only basing our audit opinion on the results obtained from the 'key' controls testing. In-depth testing is carried out on our key controls using targeted and random sampling techniques. In our view, there only needs to be one failed test of a control for us to conclude that the control is not working effectively. The purpose of a control is to provide a failsafe process to protect data integrity, if this can be circumnavigated on one occasion, we cannot guarantee data integrity and we will conclude that there is a weakness in the control. As part

of our management reporting, we will provide a recommendation or suggested solution to rectify the weakness.

Our method of data collection will be carried out in the following manner.

| | |
|---------------|---|
| Interviews | We interview relevant staff regarding the processes they use to complete tasks where internal controls are required. |
| Documentation | From the interviews we document the processes and analyse for gaps and weaknesses |
| Testing | We determine the level of testing according to the inherent risk level of each area. We test for evidence that control has been implemented and used correctly and consistently |
| Review | We review the results of testing, interviews and documentation and report on our findings on the adequacy of the control environment. |
| Improvement | Our extensive knowledge of local government procedures enables us to provide suggestions for improvement to the control environment |

TIMING AND DURATION OF AUDIT VISITS

Below is the suggested timeframe to perform various facets of the audit. This is flexible depending on your audit reporting requirements and deadlines;

| Process | Procedures/activities | Action | Dates |
|---------------------|---|--|---|
| Engagement Planning | <ul style="list-style-type: none"> - Confirm independence, define scope of the audit. - Prepare engagement letters that outline the audit scope for this engagement, the responsibilities of the auditors and the responsibilities of the Council. - Discussion with Council/ Management to identify any new issues or areas of concern that they would like us to focus on. - Confirm key reporting dates with Management. - Confirm interim and final audit visits with Management. - Obtain an understanding of the Council and its environment, including the internal controls and risks of material misstatement, to allow for our audit approach to be set. - Review updates to relevant legislation - Sending questionnaires to Council for management to respond on areas such as fraud and IT Controls. | Planning, including setting materiality levels and risk identification | Ongoing (planning finalised in March/April) |

| Process | Procedures/activities | Action | Dates |
|---|---|--|------------------|
| | <ul style="list-style-type: none"> - Prepare and send to Council our External Audit Plan. - Send an audit requirements checklist in advance before each of our audit visits to ensure staff have ample time to collate and have ready for us the documents and reports we require at the time of our audit visits. - Meet with management - Consider business risks. - Document Council's business and financial systems. - Document, evaluate and test internal controls. - Design audit programs based on risk assessment. - Draft interim audit management letter and discuss with management. | | |
| Final Visit | <ul style="list-style-type: none"> - Conduct audit programs. - Conclude on testing results. - Review of audit file. - Discuss audit issues with management. | <p>Audit staff on location (anticipated 3 auditors for 2 days)</p> <p>Discussions with management / staff / internal auditor</p> | August |
| Reporting in accordance with legislation and accounting standards | <ul style="list-style-type: none"> - Review financial statements and provide guidance to management on contents/disclosures. - Draft report on the conduct of the audit and discuss with management. - Draft management letter including suggested improvements in the efficient and economic use of Council resources and internal controls. - Draft auditor's reports for financial statements and internal controls. - Draft independent auditor's report. - | <p>Discussions with management</p> <p>Provide drafts to management</p> | August |
| Reporting to Council | <ul style="list-style-type: none"> - Present reports to the Audit Committee meeting on the audit outcomes and the financial position of Council. | Attend Audit Committee Meeting | August/September |

Schedule 8 Financial Capacity

1. Banker's Name: National Australia Bank

Address: King William Street, Adelaide, SA, 5000

2. What is the issued capital of the Tenderer's Company: \$ Partnership

3. Net asset value of the Tenderer's Company: \$ Partnership

4. To assist in the evaluation of your financial capability please attach copies of audited profit and loss accounts, balance sheets and statement of cash flows for the last two financial years, as certified by a public accountant.

These can be made available upon request.

5. What percentage of the Tenderer's South Australian business does this tender represent in terms of turnover?

100%

RELEASED

Schedule 9 Insurance

Provide details of insurance currently held by you and any proposed subcontractor that would be extended to provide cover for work under the Contract.

| Insurance type | Policy no | Extent of cover | | Expiry date | Name of insurer |
|--|-----------------------------|------------------|------------------|-------------|-------------------|
| | | Per incident \$A | In aggregate \$A | | |
| Public and products liability | 62U042387 BPK | \$20M | \$20M | 9/11/2021 | QBE |
| Professional indemnity (if applicable) | 3000018997 | \$10M | \$10M | 31/05/2021 | AON |
| Property and facilities | | | | | |
| Contents | | | | | |
| Vehicles plant & equipment | | | | | |
| Workers compensation | Employer Number: 1038803 | | | 30/06/2021 | Return to Work SA |
| Directors and officers (if applicable) | | | | | |
| Other | | | | | |

Schedule 10 Organisation Structure, Facilities and Resources

1. Organisation structure

Provide details of the staff and the organisation structure proposed to be used for performance of the Services. Details must include but not be limited to:

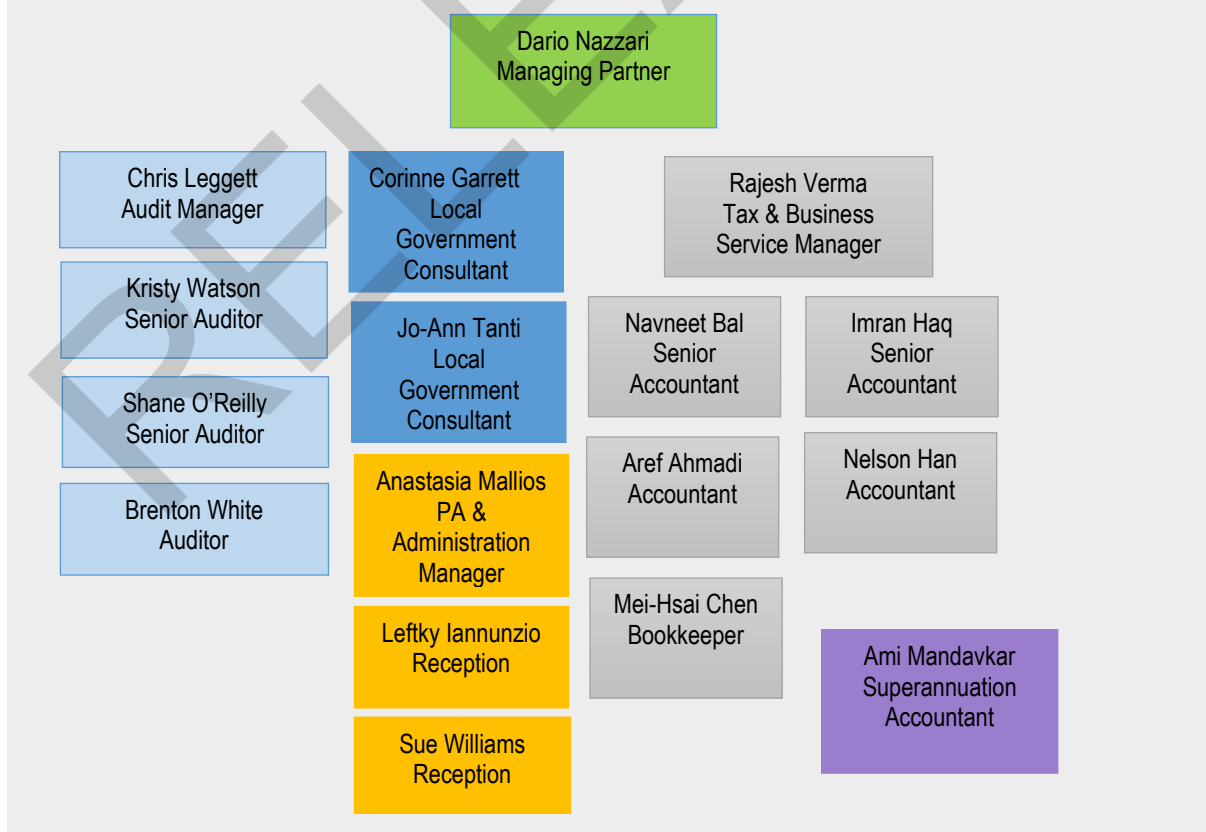
- Company structure to be used to support the Services including size and location of office, organisation structure
- Number of staff proposed to be used and their qualifications and experience
- Details of the award, enterprise agreement, and/or local area workplace agreement, under which staff will be employed, and rates of pay, conditions, or allowances

UHY Haines Norton Adelaide is a partnership firm of Chartered Accountants and Consultants, the antecedents of which have provided extensive professional services to clients in a variety of industries including Local Government for nearly 70 years.

The firm is part of the Australasian UHY Haines Norton network. Across each of our independent offices, partners and staff provide a variety of mainstream and specialist services to clients across many market segments in both the public and private sectors. The network is structured to share experience and resources for the benefit of our clients.

Our office is located at 25 Peel Street, Adelaide, SA, 5000 and we service clients in both South Australia and Northern Territory. The Adelaide firm consists of a Managing Partner and 16 staff.

Our organisation structure is shown below with our audit team highlighted in light blue;



Number of staff proposed to be used and experience

UHY Haines Norton Adelaide has engaged Darren Laarhoven from UHY Haines Norton Brisbane as the engagement partner for our audit engagements. UHY Haines Norton Adelaide and UHY Haines Norton Brisbane are independent firms within our national and international network.

Darren Laarhoven, Registered Company Auditor (Registration Number: 277529) will act as the Engagement Partner.

In addition to Darren, the members of the team who will undertake this engagement are:

- Chris Leggett, Audit Manager;
- Kristy Watson, Senior Auditor; and
- Shane O'Reilly, Senior Auditor.

All engagement team members have an excellent understanding of the Australian Auditing Standards, Australian Accounting Standards and Local Government Laws and Regulations.

| Specified Personnel | Key Roles/Responsibilities | Qualification, Skills & Experience |
|----------------------------|-----------------------------------|--|
| Darren Laarhoven | Engagement Partner | Registered Company Auditor Chartered Accountant 25+ years' audit and local govt. experience |
| Chris Leggett | Audit Manager | Bachelor of Commerce Certified Practising Accountant External and Internal Auditor 10 years' audit and local govt. experience |
| Kristy Watson | Senior Auditor | Bachelor of Commerce Chartered Accountant External and Internal Auditor 14 years' audit and local govt. experience |
| Shane O-Reilly | Senior Auditor | Bachelor of Commerce External and Internal Auditor 4 years' audit and local govt. experience |

2. Key Employees (Provide details)

Dario Nazzari – Managing Partner

Qualifications

- Bachelor of Commerce, University of Adelaide
- Financial Planning Diploma, Deakin University
- Chartered Accountant
- Registered Tax Agent



Experience

Dario is the Managing Partner at UHY Haines Norton Adelaide and has over 20 years' professional experience. In addition to his significant experience and expertise in the Local Government sector he has had extensive involvement in facilitating efficient audit processes and preparation of information to auditors.

Together with the team at UHY Haines Norton Dario provides a wealth of knowledge and experience that has been gained from providing comprehensive services to a wide range of local municipalities over many years. He has established a reputation for responsive, flexible, value for money services that can be tailored to suit any business need.

Some of Dario's recent assignments have included the following;

- A leading role in the external audit engagements for Local Government clients
- Providing ongoing support in a range of functions and activities to Local Government entities
- Assisting rural councils with the development of a number of accounting policies and procedural documents to assist with the day to day finance function
- Interim Finance Manger – Dario has provided rural councils with both onsite and remote support while Council is in between staff. This has enabled councils to ensure monthly and quarterly statutory obligations are maintained
- Development of Annual Business Plan and Budget – Dario has worked closely with rural councils to facilitate the development of their annual business plan and budget. This facilitation has ensured an efficient robust budget and business plan was developed in a timely manner
- Long Term Financial Plan – Dario has assisted councils in the development and review of these plans. This development and review has paid particular attention to ensuring the symmetry of the plan to Council's Strategic and Asset and Infrastructure Plan
- Asset Register Remediation – Dario has provided councils with support in correcting and maintaining their asset register to ensure accurate depreciation calculations that can be included in councils' annual budget and end of year financial statements
- Fringe Benefits Tax Review – Dario's tax law knowledge has enabled him to assist councils in the preparation and or review of the Fringe Benefits Tax obligations
- Preparation of Statutory Financial Statements - Dario has assisted councils with the preparation of end of year financial statements in accordance with the model set of financial statements as prescribed by legislation. Oversight the audit and assurance division of UHY Haines Norton together with his knowledge of Australian Accounting Standards has provided Dario with a clear understanding of the audit process and information requirements of Auditors. Dario has extensive experience in facilitating an efficient audit process preparing necessary supporting documentation to aid auditors

- Internal audit reviews – Dario has been involved in number of internal audit reviews within councils and authorities. Such reviews have focused on variety of areas such as procurement, payroll and plant utilisation. He has also undertaken numerous baseline assessments of councils’ internal controls in accordance with the Better Practice Model – Financial Internal Controls for SA.

Darren Laarhoven – Engagement Partner

Qualifications

- Registered Company Auditor (registration number 277529)
- Bachelor of Business
- Audit SIG Chair of UHY Haines Norton Australia and New Zealand
- Member of various committees



Experience

Darren is the engagement partner for all of the medium and large audit clients at UHY Haines Norton (Adelaide and Brisbane).

Darren has been qualified as a Chartered Accountant since 1992. Darren is responsible for the planning and timely completion of all engagement audits.

The industries in which Darren has been appointed as a company registered auditor includes Local government councils, not for profit organisations, aviation organisations, logistics, transport, service industries, cattle stations, manufacturing, wholesalers, engineering, builders and project managers, commercial fishing and seafood processing, land developers, manufacturing, general insurance and retailers.

Darren is the Chair of our UHY Haines Norton national audit committee and is a member of the Chartered Accountants Australia and New Zealand Public Practice Panel.

As a member of various committees (including as a board member of the Leukaemia Foundation of Australia), Darren is responsible for governance, in particular compliance with the entities’ governing rules and regulations, statutory requirements and applicable accounting standards.

In recognition of Darren’s experience in audit and his knowledge and experience within the not-for-profit sector, Darren also represented Queensland on the Chartered Accountants Australia and New Zealand National Charity and Not for Profit Advisory Committee.

Specialities:

- External and internal audits of local government councils, not for profit organisations and public and private companies.
- Internal audits
- Due diligence and investigations
- Review engagement
- Preparation of Board reports

Chris Leggett – Audit Manager

Qualifications

- Bachelor of Commerce, University of South Australia
- Advanced Diploma in Accounting
- Member of the Certified Practising Accountants Australia (CPA)
- Member of the Local Government Auditors Group



Experience

Chris has been with the firm for over 9 years in Senior Auditor and Audit Manager roles, following 7 years' experience in the finance industry specialising in superannuation, SMSFs and trust accounting.

Chris currently oversees the management of the firm's external and internal audit functions, including local government entities.

Chris has a deep understanding of the local government industry and the issues they face. This enables him to ensure the audit procedures undertaken are tailored to ensure audit risks are mitigated whilst at the same time providing an efficient and effective audit process.

Chris has also spent time consulting in interim finance manager roles which has enabled him to understand the day to day activities undertaken by finance teams further assisting him in tailoring an effective and efficient audit process.

His other audit experiences' includes undertaking and leading a range of external audits for not-for-profit entities, Local Government Councils in Northern Territory, residential aged cares, unlisted companies and SMSFs.

Chris has significant experience in the areas of:

- Local Government knowledge and experience;
- Not for profit entities;
- Accounting and Auditing Standards;
- Control implementation, financial reporting and financial support services;
- Preparation of general purpose financial statements; and
- Presenting financial data and results to Boards and Committees.

Commitment to ensuring his clients are provided with the best standard of service and client experience is a priority to Chris.

Kristy Watson – Senior Auditor

Qualifications

- Bachelor of Commerce, Flinders University of SA
- Member of the Institute of Chartered Accountants Australia
- Member of the Local Government Auditors Group



Experience

Kristy is the Senior Auditor at UHY Haines Norton Adelaide having previously been in the role as Audit Manager since joining the firm in 2009. Due to family commitments, she has relinquished her role as Audit Manager and is seen as a pivotal member of our team. She has over 13 years' of professional experience, including holding the role of Audit Manager with three other Chartered Accounting firms.

Kristy has a wealth of knowledge of, and extensive experience in, the Local Government and aged care sectors in South Australia. She is the firm's Local Government external audit specialist, having audited more than forty Councils during her auditing career.

Kristy's experience extends beyond these sectors as she has also undertaken audit assignments for large publicly listed companies and a range of small to medium enterprises, including private schools, human resources agencies, manufacturing and exporting companies, aquaculture companies, commercial farms and large government programs. She is also an experienced trust account and self-managed superannuation fund auditor.

Kristy has managed projects addressing issues such as risk management and internal controls reviews.

Kristy also has significant experience in the areas of:

- Systems analysis, control implementation, financial reporting and financial support services
- Preparation of general purpose financial statements for listed and unlisted entities
- Management accounting for small to medium sized clients, including councils, charities, hospitals and the like
- Presenting financial data and results to Boards and Committees.

Kristy combines attention to detail with a focus on providing value for money and efficient services, ensuring that her clients obtain maximum benefit and quality results.

Shane O'Reilly – Auditor

Qualifications

- Bachelor of Commerce
- Chartered Accountant



Experience

Shane is the Senior Auditor at UHY Haines Norton and has been with the firm for 4 years.

Commencing with the firm shortly after graduating Shane has developed into a quality auditor.

Shane has been involved in a number of external audits for Local Government clients in both South Australia and Northern Territory. He has a clear understanding of the critical areas of risk that the sector faces.

In addition, Shane has undertaken numerous internal audit engagements with the Local Government sector. He has reviewed the areas of high risk within the sector including but not limited to procurement, payroll, cash handling and fraud and corruption.

Shane has also consulted to the sector undertaking reviews of employee entitlements ensuring that various aspects of entitlements have been correctly calculated with respect to awards and legislation.

Shane is also involved in a number of private company audits and has particular expertise in the aged care and ride sharing industries.

Shane also undertakes the audits of trust accounts for real estate agents and conveyancers and audits self-managed superannuation funds. Both these audits are compliance based.

Shane has also been involved in consultancy projects whereby he assisted the Senior Research Consultant with research projects for the South Australia Local Government Association.

Shane prides himself on his attention to detail, integrity and always ensures that his clients are provided with a quality service and attention.

3. Other details (e.g. specific plant & equipment, vehicles)

Not applicable

4. Facilities (Provide details)

Our office is located at 25 Peel Street, Adelaide.

5. Proposed subcontractors

Provide details in the Table below the proposed major sub-contractors or other representatives to be employed or engaged by the Tenderer. The Tenderer must define the scope and extent of Services to be provided by sub-contractors.

| Subcontractor's name and address | Services to be provided | Item(s) |
|--|--|--|
| Darren Laarhoven – UHY Haines Norton – Brisbane Office | Registered Company Auditor Engagement Partner | Darren will sign-off on the engagement audits. |

UHY Haines Norton Adelaide has engaged Darren Laarhoven from UHY Haines Norton Brisbane as the engagement partner for our audit engagements. UHY Haines Norton Adelaide and UHY Haines Norton Brisbane are independent firms within our national and international network.

Darren is a very experienced Engagement Partner and has extensive knowledge in the local government sector. We believe that with Darren's experience and expertise along with the engagement team, this will provide the Council with an enjoyable client experience.

UHY Haines Norton Adelaide is responsible for all aspects of this engagement.

6. Contingency arrangements

Provide details of contingency arrangements should any facilities or sites required to facilitate the Contract become unavailable in the short and long term.

Our engagement team members have been set up and have the capability to work remotely when required. We also have the ability to conduct video conference calls with engagement team members and council staff.

All of our audit team members are cross trained and are able to provide cross functional support should a team member become unavailable.

Further, The Adelaide office is part of the Australasian UHY Haines Norton network. Across each of our independent offices, partners and staff provide a variety of mainstream and specialist services to clients across many market segments in both the public and private sectors. The network is structured to share experience and resources for the benefit of our clients. The Adelaide Office has the capacity to utilise staff and resources from other UHY

Schedule 11 Performance

1. Past performance

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

UHY Haines Norton has undertaken external audits for at least the last 20 years.

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

UHY Haines Norton has not had an appointment terminated on a project in the last 5 years.

Has the Tenderer terminated a project in the last five years? If yes please provide brief details.

UHY Haines Norton has not terminated a project in the last 5 years.

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.

Our firm has not refused to continue providing services under a contract in the last 5 years.

Previous Council audits conducted.

Please provide examples of previous projects of similar nature, size or value to that specified with other Councils.

| Project Description | Value \$ | Duration |
|--------------------------------------|-----------|-------------------------------------|
| External Audit: Copper Coast Council | \$86,447 | 5 Year contract ending 30 June 2018 |
| External Audit: City of Palmerston | \$123,426 | 4 year contract ending 30 June 2017 |
| External Audit: Litchfield Council | \$146,080 | 4 year contract ending 30 June 2017 |

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.

| Council | Project |
|--|--|
| City of Salisbury | Credit Card Audit |
| Other activities not undertaken by Audit Team | |
| Kangaroo Island Council | FBT Review |
| Kingston District Council | Ongoing mentoring and support to Financial Manager |
| Alexandrina Council | Rating Review |
| Wakefield Regional Council | Rating Review |
| LGA | Value Statement |

3. Other commitments

Provide details of other work commitments expected to continue during this Contract.

We have a number of other external audit clients, however we are confident that we have the capacity to fulfil our obligations outlined within this tender, whilst still providing flexibility with timing and resources.

Schedule 12 Work Health & Safety & Risk Management

1. Tenderer Work Health and Safety Management System Questionnaire

- 1.1 **Work Health and Safety policy and management** **Yes** **No**
- (a) Does the Tenderer have a written Work Health and Safety Policy? ✓

If yes provide a copy of policy

Please refer to the copy of our Work Health and Safety Policy which has been attached to the end of this document.

1.2 **Safe work practices and procedures**

- (a) Has the Tenderer prepared safe operating procedures or specific safety instructions relevant to its operations? ✓

If yes provide a summary listing of procedures or instructions

Please refer to the copy of our list of safe operating procedures which are accessible to all staff within the organisation which is attached to the end of this document.

1.3 **Work Health and Safety training**

- (a) Describe how work health and safety training is conducted in your company:

When new employees commence employment, they are required to have an induction. Part of this induction is to provide training and knowledge of the firm's work health and safety procedures and policies.

Regular updates are provided to all staff when changes are made to work health and safety procedures and policies.

Periodic trainings are conducted on work health and safety procedures within the workplace and at client premises, with all employees requiring to be present at these training sessions.

- (b) Is a record maintained of all training and induction programs undertaken for employees in your company? ✓

If yes provide examples of work health and safety training records:

Our induction and training records are held within our HR system.

1.4 Work Health and Safety workplace inspection

- (a) Are regular work health and safety inspections at worksites undertaken? ✓

If yes provide details:

An annual review of the ergonomic of workstations is undertaken and all identified hazards during the review are noted and addressed promptly.

Hazards identified between our periodic reviews are addressed promptly.

1.5 Work Health and Safety consultation

- (a) Is there a work health and safety committee? ✓

- (b) Are employees involved in decision making over work health and safety matters? ✓

If yes please provide details:

Employees are involved in all OHS Matters. Employees are encouraged to provide input in all OHS procedures and policies.

Regular meeting are conducted where employees are encouraged to provide input to current OHS matters and changes to OHS policies and procedures.

- (c) Are there employee elected work health and safety representatives? ✓

Comments:

1.6 Work Health and Safety performance monitoring

- (a) Is there a system for recording and analysing work health and safety performance statistics? ✓

No issues with Work Health and Safety has been noted within the last 8 years. Any issues that arise are addressed directly to Dario Nazzari.

- (b) Are employees regularly provided with information on company work health and safety performance?

Yes, however as stated above, there has been no issues noted.

All staff are provided with Information regularly on good practices. An example of this is in relation to the current coronavirus pandemic. Management and staff had a meeting to discuss the risks and gain an understanding of the severity of the coronavirus to determine as an organisation on how to best to proceed working safely to ensure the health and wellbeing of all staff.

- (c) Has the company ever been convicted of a work health and safety offence?

If yes provide details:

.....
.....

RELEASED

Schedule 13 Licences, Permits and Accreditation

List details of any licences or accreditations required or relevant to this Tender.

| Licence Type (Please indicate ✓) | Details (e.g. Licence No., date of expiry, Permitted Activity) |
|--|---|
| <input type="checkbox"/> Registered Company Auditor | Darren Laarhoven, Licence number 277529 |
| <input type="checkbox"/> Professional membership Registration (CA/CPA) | Dario Nazzari - CA Darren Laarhoven – CA Chris Leggett – CPA Kristy Watson – CA Shane O'Reilly - CA |
| <input type="checkbox"/> Name of Lead Auditor/Signing Partner | Darren Laarhoven |
| <input type="checkbox"/> Registered for GST | Yes |
| | |
| | |
| | |
| | |

RELEASED

WORK HEALTH AND SAFETY POLICY

| | |
|---------------------------------|----------------------|
| Policy Last Reviewed: | 14 April 2020 |
| Policy Next Review Date: | 14 April 2022 |

This policy:

- Shows the commitment of the management and staff in this workplace to health and safety;
- Aims to remove or reduce risks to the health and safety of all staff, contractors and visitors to our workplace and anyone else who may be affected by our operations;
- Aims to ensure all work activities are done safely;
- Recognises that health and safety are most effective when a collaborative approach is used to identify and solve problems;
- Commits to continuously improving work health and safety by addressing hazards and reviewing outcomes; and
- To ensure a safe workplace;

Our partners will:

- Ensure their responsibilities under the *Work Health and Safety Act 2012 (SA)* and the *Work Health and Safety Regulations 2012 (SA)* are always met;
- Take reasonable steps to provide and maintain a safe working environment, plant and substances in a safe condition and facilities for the welfare of all staff;
- Provide ways for staff to be informed about, and involved in, health and safety issues at work;
- Provide information, instruction, training and supervision needed to make sure that all staff are safe from injury and risks to their health and safety;
- Conduct regular workplace inspections;
- Regularly review the factors likely to affect the degree of risks from hazards or the context such as changes in the organisation, materials, work procedures, location, processes or methods;
- Ensure this policy and all safe work procedures are kept up to date;
- Monitor the Department of Health website regularly for up to date advice and information on the COVID 19 pandemic and ensuring:
 - that staff are communicated about the measures that have been put in place to minimise the risk of exposure;
 - that there is clear advice provided to employees about the actions they should take if they become unwell or think they may have the symptoms of COVID 19;
 - consider employees working from home and facilitating when required and where possible;
 - that there is physical distancing between staff and others of at least 1.5 metres;
 - that the workplace is regularly cleaned and disinfected;
 - that staff are encouraged to frequently wash their hands with soap or by using an alcohol-based hand sanitiser and to practise good hygiene. This includes ensuring there is soap and hand sanitisers available for all employees at all times;
 - that where available, speaking to clients via video calls rather than in person; and

- that staff are aware of their responsibilities and ensuring that they have no COVID 19 or flu like symptoms before attending a client's premises and to follow any procedures/practices that have been put in place by that client.
- Providing all employees with the opportunity to receive a flu shot with a nurse on site on a yearly basis.

Staff must:

- Take reasonable steps for their own health and safety and ensure that their actions or omissions do not adversely affect the health and safety of others in the workplace. This includes ensuring good hygiene practices, such as frequent hand washing, to protect against infections such as COVID 19;
- Follow reasonable instructions given by the partners and their delegates to protect their health and safety;
- Identify and report any workplace incidents or hazards to their manager/partner;
- Not wilfully interfere with or misuse items or facilities provided;
- Ensure if that they believe they may have COVID 19 or flu like symptoms to not attend the office or a client's workplace; and
- Ensure that their workstations are regularly cleaned and disinfected where possible.

Visitors and contractors must:

- Not put themselves or any other person at the workplace at risk;
- Comply with our safety policy;
- Not attend our office if you have COVID 19 or flu like symptoms;
- Use hand sanitiser that is located at the front desk when you first arrive in the office and before you leave the office.

Management support for injured staff:

The firm supports the early return to work (RTW) of injured staff following endorsement by a medical practitioner. An RTW plan will be developed and appropriate assistance will be given to staff.



Dario Nazzari
Managing Partner

UHY Haines Norton - Adelaide

Work Health and Safety

Policy and Procedure and Form Index

| Document | Link | Last Updated |
|--|---|--------------|
| WHS Management Plan | I:\Human resources\WHS\Mgt System\UHY Haines Norton WHS Management Plan | March 2020 |
| WHS Policy | I:\Human resources\WHS\Policy\UHYHN WHS policy | April 2020 |
| Hazard Reporting Procedure | I:\Human resources\WHS\Procedures\Hazard Reporting procedure | April 2018 |
| Incident Reporting & Investigation Procedure | I:\Human resources\WHS\Procedures\Incident reporting and investigation procedure.doc | April 2018 |
| Induction Procedure | I:\Human resources\WHS\Procedures\Induction procedures.docx | April 2018 |
| Manual Handling Procedure | I:\Human resources\WHS\Procedures\UHYHN Manual Handling Procedure | April 2018 |
| Manual Handling & Safety Risk Management Checklist | I:\Human resources\WHS\Procedures\Manual Handling & Safety risk mgt checklist.docx | April 2018 |
| WHS Document Management Procedure | I:\Human resources\WHS\Procedures\WHS Document Management Procedure.docx | July 2018 |
| Contractor Induction Checklist | I:\Human resources\WHS\Forms\Contractor Induction Checklist | May 2018 |
| Staff Induction Checklist | I:\Human resources\WHS\Forms\Staff Induction Checklist | May 2018 |
| Hazard Report Form | I:\Human resources\WHS\Forms\UHY Haines Norton Hazard Report Form.docx | May 2018 |
| Inspection Checklist | I:\Human resources\WHS\Forms\UHY Haines Norton Inspection Checklist.docx | May 2018 |



TOWN OF WALKERVILLE

Provision of External Audit Services for 20/21 to 22/23 WALK048177 (COR002-20/21)

November 2020



Ms Monique Palmer
Group Manager, Corporate Services
The Corporation of the Town of Walkerville
68 Walkerville Terrace
GILBERTON SA 5081

24 November 2020

Dear Ms Palmer

PROVISION OF EXTERNAL AUDIT SERVICES (WALKO48177 (COR002-20/21))

We are pleased to submit this proposal for the provision of external audit services to the Town of Walkerville.

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 Town of Walkerville;
- ▶ 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 Town of Walkerville, and would appreciate the opportunity to discuss any aspect of our proposal that might not meet your expectations.

Yours sincerely

BDO Audit (SA) Pty Ltd



Andrew Tickle
Director

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RELEASED

SCHEDULE 1 - TENDER FORM

We **BDO Audit (SA) Pty Ltd** (Tenderer) on 24 November 2020

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 Services described in the Specifications of the 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 Specification, as per RFT which form part of the Tender Documents subject only to the variations set out in Schedule 1;
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, I/we/it will execute and be bound by the Contract in accordance with the Conditions of Tendering.

If the Tenderer is a company, it must execute this Tender as follows:

Executed by **BDO Audit (SA) Pty Ltd** pursuant to section 127 of the *Corporations Act 2001*



Signature of Director

Andrew Tickle

Name of Director (print)




Signature of Director/~~Company Secretary~~
(Please delete as applicable)

Paul Gosnold

Name of Director/~~Company Secretary~~ (print)

SCHEDULE 2 - TENDERER'S DETAILS

| | |
|---|---|
| 1. 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 (SA) Pty Ltd |
| ABN number | 33 161 379 086 |
| 2. Contact person Nominate a contact person for this tender to deal with any questions or queries that may arise. | Andrew Tickle |
| 3. Registered address | Level 7, 420 King William Street ADELAIDE SA 5000 |
| 4. Postal address | GPO Box 2018 ADELAIDE SA 5001 |
| 5. Telephone | 08 7324 6082 |
| 6. Fax | 08 7324 6111 |
| 7. Email | andrew.tickle@bdo.com.au |
| 8. Tender conditions Tenderer to sign that it has read and understood this RFT and the Conditions of Tender. |  |
| 9. Amendments to Tender Documents Tenderer to indicate the amendments it requests. | NA |

SCHEDULE 3 - REFEREES

| REFEREE 1 | |
|---------------|--|
| Client Name: | City of Holdfast Bay |
| Address | 24 Jetty Road, Brighton SA 5048 |
| Contact name | John Newton |
| Telephone | 08 8229 9924 |
| Date of work | Provision of external audit services from 2012 to 2020 |
| Value of work | \$40,000 per annum |

| REFEREE 2 | |
|---------------|--|
| Client Name: | City of West Torrens |
| Address | 165 Sir Donald Bradman Drive, Hilton SA 5033 |
| Contact name | Lisa Gilmartin |
| Telephone | 08 8416 6317 |
| Date of work | Provision of external audit services from 2011 |
| Value of work | \$25,000 per annum |

| REFEREE 3 | |
|---------------|--|
| Client Name: | City of Onkaparinga |
| Address | PO Box 1, Noarlunga Centre SA 5168 |
| Contact name | Kevin Carter |
| Telephone | 08 8384 0030 |
| Date of work | Provision of external audit services from 2016 |
| Value of work | \$32,000 per annum |

SCHEDULE 4 - CONFLICT OF INTEREST

| CONFLICT | DETAILS |
|----------|--|
| | There is no issue leading to a conflict of interest. |

Maintaining our independence and freedom from conflicts of interest

We have detailed internal policies and procedures designed to address the principles and requirements of the Australian Professional and Ethical Standards Board (APESB). Compliance with the independence policies and procedures is assured through the internal monitoring and continuous improvement processes that form part of the internal quality control system supporting our audit practice.

We have already assessed our independence through our national and international Conflict and Independence Checking system, and can confirm our independence and ability to accept this engagement without any conflict of interest. Our robust systems and processes will ensure our independence is maintained for the entirety of this engagement, and that any potential conflicts of interest that arise are identified and immediately dealt with in the appropriate manner.

Managing your data

BDO conducts all work in strict confidence and in full conformance with industry professional standards. All client information is stored securely and is never disclosed, except as required by law. All team members are trained in their privacy and confidentiality obligations, and are aware that misconduct may result in instant dismissal.

All team members are provided with laptops that enable secure systems and internet access when working on-site in a BDO office, or remotely from any location (for example, at the Town of Walkerville's premises).

RELEASED

SCHEDULE 5 - 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).

As Council can accept any tender in full or part, please ensure that pricing is applicable to all scenarios.

| DESCRIPTION OF SERVICES | AUDIT SERVICES |
|---|--|
| Price (exclusive of GST) | 2020/21 \$24,000 (*) 2021/22 \$24,720 (*) 2022/23 \$25,460 (*) |
| Please provide hourly charge out rates and the estimated number of hours for each year. | See below |
| Proposed State Date: | 2020/21 Financial Year Audit |
| Proposed Completion Date: | 2022/23 Financial Year Audit |

Audit hours and hourly charge out rates

The tables below summarises the numbers of hours, location of our audit work and the hourly charge out rates.

| Name | Role | Internal Controls | Financial Reporting & Acquittal Audits | Total |
|------------------|--|-------------------|--|------------|
| Andrew Tickle | Engagement Partner | 6 | 9 | 15 |
| Chelsea Aplin | Engagement Manager | 12 | 18 | 30 |
| Supporting staff | Senior in charge and supporting junior | 64 | 96 | 160 |
| IT Specialists | IT Expert | 4 | 6 | 10 |
| TOTAL | | 86 | 129 | 215 |

Comprising of the following:

| | | | |
|--------------|-----------|------------|------------|
| Planning | 34 | 51 | 85 |
| Fieldwork | 44 | 66 | 110 |
| Completion | 8 | 12 | 20 |
| TOTAL | 86 | 129 | 215 |

| ITEM | STAFF CATEGORY/SERVICE | \$ RATE (EXCL. GST WHERE APPLICABLE) |
|------|------------------------|---|
| 1 | Partner | \$350 |
| 2 | Manager | \$230 |
| 3 | Senior Auditor | \$160 |
| 4 | Auditor | \$140 |

(*) 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 \$800 each. |
| 6. | 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 2020/2021). |

SCHEDULE 6 - VALUE ADDED SERVICES

Describe the level of quality assurance in place in the Tenderer's organisation and plans to move to quality accreditation if not presently accredited.

BDO is a Quality Assured Accounting Practice (AS/ NZS:9001:2008 Certificate No.58)

Provide details of contracts performed by the Tenderer under its Quality Assurance System.

Details of other similar contracts performed can be found under Schedule 11 - Performance.

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

Other benefits BDO can 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 7 - TIMEFRAMES - IMPLEMENTATION SCHEDULE

Tenderers must provide a comprehensive project plan outlining all activities required and key date timelines for each activity to be undertaken in the financial year.

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.

Audit timeline

| PHASE | ACTIVITIES | PROPOSED 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. | February 2021 |
| 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. | March 2021 |
| 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. | April - May 2021 |
| 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 2021 |
| 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 2021 |
| 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 2021 |

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.

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.

RELEASED

SCHEDULE 8 - FINANCIAL CAPACITY

1. *Banker's Name:* Matthew James, Westpac Commercial Banking
Address: Level 19 Westpac House, 91 King William Street, Adelaide SA 5000
2. *What is the issued capital of the Tenderer's Company:* \$4
3. *Net asset value of the Tenderer's Company:* \$103,903
4. *To assist in the evaluation of your financial capability please attach copies of audited profit and loss accounts, balance sheets and statement of cash flows for the last two financial years, as certified by a public accountant.*

BDO are not required to be audited, and therefore do not have audited statements.
5. *What percentage of the Tenderer's South Australian business does this tender represent in terms of turnover?* less than 1%

Please note, information provided above relates on to BDO Audit (SA) Pty Ltd. This is the entity that enters the contract for the audit and is part of the broader BDO South Australia group of companies.

RELEASED

SCHEDULE 9 - INSURANCE

Provide details of insurance currently held by you and any proposed subcontractor that would be extended to provide cover for work under the Agreement.

| Insurance Type | Policy No. | Extent of Cover | | Expiry Date | Name of Insurer | Tenderer requires this insurance of its subcontractors? |
|-----------------------------|-----------------|---------------------|---------------------|-------------|--|---|
| | | Per Incident \$AUD | In Aggregate \$AUD | | | |
| Public & Products Liability | 201812-0173 BIA | Min. \$20m | Min. \$20m | 30/11/20 | Berkley Insurance Australia | N/A |
| Professional Indemnity | B0901LI2043634 | \$25m any one claim | \$25m any one claim | 30/06/21 | Lloyds of London and Zurich Australian Insurance Ltd | N/A |
| Workers Compensation | 26130906 | | | 30/06/21 | Return to WorkSA | |

Copies of insurance certificates can be found at Appendix 2.

SCHEDULE 10 - ORGANISATIONAL STRUCTURE, FACILITIES AND RESOURCES

1. Organisation structure

BDO in Adelaide

Your audit services will be provided by BDO Audit (SA) Pty Ltd. This South Australian registered audit company has three directors and over 40 staff who provide audit services to many large organisations in the State. Many of these team members have experience on the external audit of a local government entity. The audit company forms part of the BDO Adelaide practice which comprises 20 partners and 151 staff. This makes us the largest locally owned accounting practice in Adelaide. It also provides us with the flexibility should there be any short or long term resourcing issues.

2. Key Employees (Provide details)

You 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 Council will not need to spend too much time train or educate audit staff on the risks, systems and procedures of the Town of Walkerville. 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 Town of Walkerville, 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.

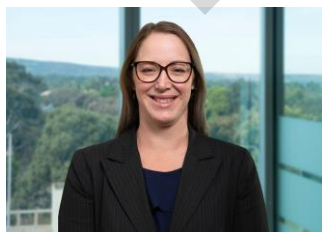
Proposed engagement team for Town of Walkerville



Andrew Tickle
Engagement Partner

Andrew Tickle will have overall responsibility for ensuring that the audit services provided to Town of Walkerville meet your needs and expectations, and for managing our relationship with you. Andrew will also be responsible for signing the annual audit opinions.

Andrew has extensive experience in the local government sector. He has many years' experience in senior audit roles for entities such as the City of Adelaide, City Of Onkaparinga, City of West Torrens and the City of Tea Tree Gully. He is also a board member of Athletics SA.



Chelsea Aplin
Engagement Manager

Chelsea is manager in the Adelaide office with 15 years' experience working in chartered accountancy across Australia.

As engagement manager, Chelsea will be responsible for the overall quality of our service delivery to the Town of Walkerville. She will attend your premises during all audit visits and be available to attend meetings at your request.

She is the key member of the audit engagement team for City of West Torrens, City of Norwood Payneham & St Peters and City of Playford.

3. Other details (eg specific plant & equipment, vehicles)

We do not require access to any specific plant & equipment, vehicles etc... to provide our services.

4. Facilities (Provide details)

We offer flexible 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.

To enhance our communication and to reduce any potential expectation gaps, we use the BDO Global Portal ('portal'). In addition to facilitating the secure exchange of information, the use of the portal assists with project management and provides a live view of progress to both BDO and Council.

5. Proposed subcontractors

Provide details in the Table below the proposed major sub-contractors or other representatives to be employed or engaged by the Tenderer. The Tenderer must define the scope and extent of Services to be provided by sub-contractors.

| SUBCONTRACTOR'S NAME AND ADDRESS | SERVICES TO BE PROVIDED | ITEM(S) |
|----------------------------------|-------------------------|---------|
| | | |
| | | |
| | | |

We do not plan to use any subcontractors to deliver our services.

6. Contingency arrangements

Provide details of contingency arrangements should any facilities or sites required to facilitate the Contract become unavailable in the short and long term.

BDO 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 service 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 the 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 Town of Walkerville
- ▶ **Trigger** reminder email alerts for all tasks and approaching deadlines, as required
- ▶ **Allow** immediate access at all stages to a 'live' record of the progress of the engagement.

SCHEDULE 11 - PERFORMANCE

1. Past performance

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

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 a project 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:

| PROJECT DESCRIPTION | VALUE \$ | DURATION |
|---|----------|---|
| Adelaide City Council - external audit | \$70,000 | Current auditors, engaged for last 15 years |
| City of Onkaparinga - external audit | \$32,000 | Current auditors, engaged for the last 5 years |
| City of West Torrens - external audit | \$25,000 | Current auditors, engaged for the last 9 years |
| City of Norwood Payneham & St Peters - external audit | \$24,000 | Current auditors, engaged for the last 4 years |
| City of Tea Tree Gully - external audit | \$26,000 | Current auditors, engaged for the last 2 year |
| City of Playford - external audit | \$32,000 | Current auditors, newly appointed for 2021 financial year |
| City of Holdfast Bay - external audit | \$40,000 | Previous auditors, engaged for 8 years, last year 30 June 2020 |
| City of Unley - external audit | \$31,000 | Previous auditors, engaged for 5 years, last year 30 June 2018 |
| City of Charles Sturt - external audit | \$35,000 | Previous auditors, engaged for 10 years, last year 30 June 2014 |
| Adelaide Hills Council - external audit | \$30,000 | Previous auditors, engaged for 5 years, last year 30 June 2017 |

3. Other commitments

Provide details of other work commitments expected to continue during this Contract.

Due to the size of our audit team at BDO, we have the capacity and experience with managing other work commitments that would be occurring during this Contract. These commitments will not have any impact on our ability to continue to provide uninterrupted exceptional client service.

RELEASED

SCHEDULE 12 - WORK HEALTH & SAFETY & RISK MANAGEMENT

| 1.1 WHS policy and management | |
|---|---|
| (a) Does the Tenderer have a written work health and safety policy? <input type="checkbox"/> <input type="checkbox"/> If yes provide a copy of policy Comments | Yes - A copy of this can be found at Appendix 3 |
| 1.2 Safe work practices and procedures | |
| (a) Has the Tenderer prepared safe operating procedures or specific safety instructions relevant to its operations? <input type="checkbox"/> <input type="checkbox"/> If yes provide a summary listing of procedures or instructions Comments: .. | No |
| 1.3 WHS training | |
| (a) Describe how work health and safety training is conducted in your company: | All staff go through eLearning modules regarding WH&S as part of the induction process. |
| (b) Is a record maintained of all training and induction programs undertaken for employees in your company? If yes provide examples of work health and safety training records: | Yes - An extract of the training register can be found at Appendix 3 |
| 1.4 Work Health and safety workplace inspection | |
| (a) Are regular health and safety inspections at worksites undertaken? <input type="checkbox"/> <input type="checkbox"/> If yes provide details: | Yes. All hazards are reported to the facility manager. |
| 1.5 WHS performance monitoring | |
| (a) Is there a work health and safety committee | Yes |
| (b) Are employees involved in decision making over work health and safety matters? If yes please provide details: | Yes, we have a work health & safety committee that meet once a quarter. |
| (c) Are there employee elected work health and safety representatives? Comments | Yes and they sit in on the work health & safety committee meetings. |
| 1.6 Work Health and Safety performance monitoring | |
| (a) Is there a system for recording and analysing work health and safety performance statistics? If yes please provide details: | No |
| (b) Are employees regularly provided with information on company work health and safety performance? If yes please provide details: | If we have to report any workplace incidents then this information goes out in the business reports but we haven't had any reportable incidents |

1.1 WHS policy and management

| | |
|--|----|
| (c) Has the company ever been convicted of a work health and safety offence? If yes please provide details: | No |
|--|----|

RELEASED

SCHEDULE 13 - LICENCES, PERMITS AND ACCREDITATION

| LICENCE TYPE | DETAILS (E.G LICENCE NO. DATE OF EXPIRY, PERMITTED ACTIVITY) |
|---|---|
| Registered Company Auditor | 452836 |
| Professional membership registration | Member, Chartered Accountants Australia and New Zealand Member #218321 |
| Name of leading auditor/signing partner | Andrew Tickle |

RELEASED

SCHEDULE 14 - STATEMENT OF CONFORMITY

If the Tender **does not comply** with all the requirements of the Tender Documents **including the Specifications and conditions of the Contract**, the Tenderer must list below all areas of non-conformity, partial conformity or alternative offer and the reasons therefore.

The Tender must be read to disregard and render void any area of the Tender which is non-conforming, partially conforming or an alternative offer except to the extent detailed in this Schedule.

If any non-compliance is determined to be unacceptable, the Council may, in its sole discretion, decide to not consider the Tender any further.

The Council may, in its sole discretion, decide to not consider any alternate offer submitted.

NC = Non-conforming PC = Partially conforming AO = Alternate Offer

STATEMENT OF NON-CONFORMITY - SPECIFICATIONS

| AREA OF NON-CONFORMITY & REASON | NC/PC/AO |
|---------------------------------|----------|
| None to report | |
| | |
| | |

RELEASED

APPENDIX 1 - CVS



ANDREW TICKLE Director, Audit

Andrew is an Audit Director with BDO in South Australia. He is known for his positive and calm nature, which supports a cooperative approach to client audits.

His experience includes managing the undertaking of audits with private sector, corporate and non-corporate clients. He has worked with listed companies, trusts, associations, managed investment funds, compliance plans and financial services licence holders to complete audits, as well as provide accounting, tax and statutory compliance advice to line and senior managers. Andrew also provides reports to boards and audit committees.

Andrew has more than ten years' experience as an accountant, internal and external auditor. He was seconded to London for 18 months, working clients listed on the Alternative Investment Market of the London Stock Exchange, private companies and group audits. Andrew built his experience with another mid-tier accounting firm, before joining BDO in 2013 as a manager. He was promoted to Director in 2014 and is a member of the BDO Automotive and Tourist Park sector groups.

andrew.tickle@bdo.com.au
Direct: +61 8 7421 1454
Mobile: +61 404 134 250

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

Services

- ▶ External audit
- ▶ Internal audit
- ▶ Risk assessment
- ▶ Due diligence
- ▶ Fraud investigations

Sectors

- ▶ Automotive
- ▶ Manufacturing
- ▶ Listed companies
- ▶ Health
- ▶ Senior living
- ▶ Not-for-profit
- ▶ Government & public sector

Qualifications

- ▶ Chartered Accountant
- ▶ Bachelor of Commerce
- ▶ Registered Company Auditor

Affiliations

- ▶ Member, Chartered Accountants Australia & New Zealand



CHELSEA APLIN **Manager, Audit**

Chelsea is a Manager in the BDO Adelaide office. She has previous audit experience in South Australian and Western Australia with a mid tier accounting firm, undertaking and managing audits in a variety of private sector, corporate and non-corporate clients, such as companies, trusts, associations and corporations. She has also provided accounting, tax and statutory compliance help when required and reporting to funding bodies.

Chelsea has several years external audit experience and has gained a depth of experience in working with both line and senior managers.

Expertise summary

- ▶ External audit
- ▶ Financial accounting / reporting

Industry expertise

- ▶ Incorporated associations
- ▶ Not-for-profit organisations
- ▶ Health and Aged Care
- ▶ Manufacturers
- ▶ Government and semi-government bodies
- ▶ Self managed superannuation funds

Qualifications

- ▶ Bachelor of Business
- ▶ Member, Chartered Accountants Australia & New Zealand

chelsea.aplin@bdo.com.au
Direct: 08 7324 6097

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



2 October 2020

To Whom It May Concern:

CERTIFICATE OF CURRENCY – PROFESSIONAL INDEMNITY INSURANCE

This is to certify that the following policy is current, as at the date stated above. This certificate provides a summary of the policy cover and is not intended to amend, extend, replace or override the policy terms and conditions contained in the actual policy document.

Insurance Class: Professional Indemnity Insurance

Insured Name: BDO Holdings (SA) Pty Ltd; BDO Audit Partnership (SA); BDO (SA); BDO Industrial and Organisational Psychology Pty Ltd; BDO Administration (SA) Pty Ltd; BDO Advisory (SA) Pty Ltd; BDO Audit Goodwill (SA) Pty Ltd; BDO Audit (SA) Pty Ltd; BDO Corporate (SA) Pty Limited; BDO Corporate Finance (SA) Pty Ltd; BDO Private Wealth Advisers (SA) Pty Ltd; BDO Digital (SA) Pty Ltd; BDO Super Advice (SA) Pty Ltd; BDO Finance Solutions (SA) Pty Ltd; Frome Street Business Advisers (SA) Pty Ltd; Frome Street Assurance Services (SA) Pty Ltd; Frome Street Services (SA) Pty Ltd; Japara Nominees Pty Ltd

Professional Services: Chartered Accountants, Auditors and as more fully described in the policy

Exclusions The exclusions contained in the policy are standard or usual exclusions for a policy of this type and the policy is made on standard commercial terms

Policy Period: 30 June 2020 to 30 June 2021 both days at 4:00pm

Limit of Indemnity: \$25,000,000 any one claim

Insurers: Lloyds of London and Zurich Australian Insurance Ltd

Primary Policy Number: B0901LI2043634

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. We accept no responsibility whatsoever for any inadvertent or negligent act, error or omission on our part in preparing these statements or for any loss, damage or expense thereby occasioned to any recipient.

Yours sincerely

Nick Chubb
Head of FINPRO Risk Management – JLT Marsh Specialty, Pacific
Marsh Pty Limited

Schedule of Insurance

Page 3 of 5

| | |
|---|-----------------------------------|
| Class of Policy: Liability Insurance | Policy No: 201812-0173 BIA |
| The Insured: BDO Holdings (SA) Pty Ltd | Invoice No: 312382 |
| | Our Ref: BDOHO |

Insured: BDO Holdings (SA) Pty Ltd;
BDO Administration (SA) Pty Ltd;
BDO Advisory (SA) Pty Ltd;
BDO Audit (SA) Pty Ltd;
BDO Audit Goodwill Pty Ltd;
BDO Business Recovery And Insolvency (SA) Pty Ltd;
BDO Corporate (SA) Pty Ltd;
BDO Corporate Finance (SA) Pty Ltd;
BDO Digital (SA) Pty Ltd;
BDO Finance Solutions (SA) Pty Ltd;
BDO Industrial & Organisational Psychology (SA) Pty Ltd;
BDO Private Wealth Advisers (SA) Pty Ltd;
BDO (SA) Pty Ltd;
Japara Nominees Pty Ltd;
BDO SA;
BDO Audit Partnership (SA)
Frome Street Assurance Services (SA) Pty Ltd
Frome Street Business Advisers Pty Ltd
Frome Street Services (SA) Pty Ltd
Panker Nominees (SA) Pty Ltd

Address: BDO Centre
Level 7, 420 King William Street, Adelaide SA 5000 Australia

Period of Insurance: From 30/11/2019 To 30/11/2020 at 4pm

Business Activity: Accounting Practice

Indemnity Limit

Public Liability \$20,000,000 Any one Occurrence

Products Liability \$20,000,000 Any one Occurrence and in the aggregate any one Period of Insurance

Excess

Public Liability \$1,000 Each and Every Occurrence (Costs Inclusive)

Products Liability \$1,000 Each and Every Occurrence (Costs Inclusive)

Policy Wording: Steadfast GL 1-2014

If subjectivities are applicable, this document becomes a non-binding indication.

SUBJECTIVITIES: This quote is subject to the following conditions which must be complied with before Berkley Insurance Australia will go on risk

Nil

Schedule of Insurance

Page 4 of 5

| | |
|---|-----------------------------------|
| Class of Policy: Liability Insurance | Policy No: 201812-0173 BIA |
| The Insured: BDO Holdings (SA) Pty Ltd | Invoice No: 312382 |
| | Our Ref: BDOHO |

Jurisdiction: Worldwide excluding USA and Canada unless specifically stated otherwise

Insurer: Berkley Insurance Australia [ABN: 53 126 559 706] APRA Authorised Insurance Company

Proposal Form Dated: 1/11/2018

Interested Third Party EDGE Development (SA) Pty Ltd

Parties:
TABCO Pty Ltd
G Colangelo Developments (SA)

Endorsements

Care Custody Control Endorsement (250k) - Steadfast G I-2014

It is hereby declared and agreed that clause 3.16 is deleted in its entirety and replaced with the following:

3.16 Property in Your care, custody or control

for Property Damage to property in Your physical or legal care, custody or control; but this exclusion shall not apply with regard to:

3.16.1 the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or employees, or the clothing and personal effects of any of Your visitors.

3.16.2 premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, You for the purpose of the Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises.

3.16.3 premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with the Business, or

3.16.4 any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You; provided that You do not operate the car park for reward, as a principal part of Your business.

3.16.5 notwithstanding Exclusion clause 3.6 "Contractual Liability", any property (except property that You own) not mentioned in clauses 3.16.1 to 3.16.4 above whilst in Your physical or legal care, custody or control whether or not You have accepted or assumed legal liability for such property. Provided that Our liability under this clause 3.16.5 shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one Occurrence.

Your Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms. You have this duty until we agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

Schedule of Insurance

Page 5 of 5

| | |
|---|-----------------------------------|
| Class of Policy: Liability Insurance | Policy No: 201812-0173 BIA |
| The Insured: BDO Holdings (SA) Pty Ltd | Invoice No: 312382 |
| | Our Ref: BDOHO |

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

RELEASED

Sensitive: Personal



Certificate of registration

Return to Work Act 2014

Employer number 26130906
Employer name BDO Administration (SA) Pty Ltd
Trading name BDO

Date of issue: 30 June 2020

Statement of coverage valid until 30 June 2021

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

BDO Administration (SA) Pty Ltd is registered from 01/02/2013.

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 2021 or until BDO Administration (SA) 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 - WH&S POLICY



▶ WORK HEALTH & SAFETY POLICY



PURPOSE OF POLICY

BDO recognises the importance of proper management of health and safety in the workplace. Our staff are our biggest asset and your safety at work is paramount.

It is the responsibility and aim of BDO to minimise the risk of injury and disease to workers and other persons, by adopting a planned and systematic approach to the management of work health and safety and providing the resources for its successful implementation and continuous improvement.

POLICY STATEMENT

BDO will endeavour, through the regular review of its systems, to strive for continuous improvement to bring about an ongoing improvement of work health and safety performance, with the aim of eliminating all unwanted work-related hazards and work-related injuries.

BDO aims to comply with all current relevant South Australian Work Health & Safety legislation, Codes of Practice and Australian/New Zealand Standards.

All persons who work at BDO have responsibilities for observing work health and safety requirements and to take care to protect their own health and safety and to avoid adversely affecting the health and safety of any other person.

In all instances, BDO will seek to implement best practice solutions for health and safety concerns and ensure compliance with all relevant and current South Australian Work Health & Safety legislation.

This Work Health & Safety Policy will be reviewed each year, in consultation with workers, using established consultative mechanisms and revised as necessary to keep up to date with new legislation and organisational changes.

A copy of this Work Health & Safety Policy will be provided and explained to each worker, contractor and volunteer and a copy placed in a prominent position of each BDO work premises.

A breach of this Work Health & Safety Policy may result in disciplinary action being taken.

RESPONSIBILITIES

So far as reasonably practicable, BDO will provide the following:

- Maintenance of a work environment without risk to health and safety
- Maintenance of safe plant and structures
- Maintenance of safe systems of work
- Safe use, handling and storage of plant, structures and substances
- Access to adequate facilities for the welfare of workers at work
- Information, training, instruction or supervision necessary to protect all persons from risks to their health and safety
- Conditions at the workplace are monitored for the purpose of preventing illness or injury of workers.

BDO will be responsible for:

- Ensuring that any person who makes decisions, or participates in making decisions that affect the whole, or substantial part of BDO and has the capacity to significantly affect the financial standing of the firm is aware they are considered an Officer and must comply with that duty or obligation
- Ensuring that any person designated as an Officer of BDO exercises due diligence to ensure that BDO complies with that duty or obligation and takes reasonable steps to ensure compliance with that legal obligation under the South Australian Work Health & Safety Act 2012
- A clear understanding of the nature of the operations of BDO and generally of the hazards and risks associated with those operations
- Implementing appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding in a timely way to that information
- Ensuring the provision of adequate information, instruction, training and supervision of all workers, contractors and volunteers
- Ensuring this Work Health & Safety Policy is implemented throughout the work and that all relevant managers/supervisors, workers, contractors and volunteers are trained in the use of this procedure.

Managers/supervisors will be responsible for:

- The health and safety of workers, contractors and volunteers they supervise, and for members of the public, clients and any other persons who are in their area of operation
- Implementing BDO work health and safety policies and procedures for which specific roles and responsibilities will be assigned and communicated
- Day-to-day management of health and safety issues within their area of responsibility
- Effective consultation with workers, contractors and volunteers on all issues which may affect their health and safety at work
- Effective injury and illness reporting, recording and investigation and effective rehabilitation measures for workers, contractors and volunteers who may suffer work-related injuries and illnesses
- Supervising their areas of responsibilities to ensure full compliance with this Work Health & Safety Policy.

Workers, contractors and volunteers will be responsible for:

- Taking reasonable care for his or her own health and safety
- Taking reasonable care that his or her acts or omissions at work, or by the consumption of alcohol or drugs does not adversely affect, the health and safety of other persons
- Complying, so far as the worker is reasonably able, with any reasonable instruction that is given by the BDO manager/supervisor to allow that person to comply with the relevant current South Australian Work Health & Safety legislation



- Cooperating with any reasonable health and safety policies and procedures in the workplace that the worker has been notified
- Reporting hazards in the workplace to a member of the BSafe Committee and making recommendations to management on how to reduce the level of risk
- Making proper use of available safety procedures, safety devices and personal protective equipment at all times
- Not (or cause another worker to) interfering with, removing, displacing or rendering ineffective any safeguard, safety device, personal protective equipment or other appliance or work system provided for protection, except when necessary as part of an approved maintenance, repair or emergency procedure
- Assisting in incident investigations
- Reporting all incidents to their manager/supervisor as soon as possible after the event
- Actively supporting the consultation process
- Adhering to this Work Health & Safety Policy at all times.

WORK HEALTH & SAFETY COMMITTEE

To aid the continuous improvement and review of safety in our workplace, BDO guarantees the presence of a Work Health & Safety (BSafe) Committee. The BSafe Committee will meet at least quarterly and comprise of:

- Managing Partner
- People & Culture team
- Administration Manager
- Representative from at least one service line.

Staff concerns regarding work health and safety can be raised with any member of the BSafe Committee or forwarded by email to bsafe.adelaide@bdo.com.au.

HAZARDS IN THE WORKPLACE










Active consultation and cooperation with workers and their representatives will be undertaken in order to ensure the best possible resolution for health and safety issues at BDO.

Staff who discover hazards in the workplace are required to promptly inform a member of the BSafe Committee.

POLICY HISTORY AND DOCUMENT CONTROL

| | |
|----------------|-----------------------------|
| Policy Title | Work Health & Safety Policy |
| Effective Date | 1 January 2013 |
| Issue Date | 22 April 2013 |
| Authorised by | Peter Khoury |
| Policy history | Replaces OHS&W Policy |

Extract from training system relevant to WH&S

| | | | | | | | | |
|--------------------------|---|--------------------------------------|-------------|-----------|--------|-------------|-------------|----------------------|
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 15-Jan-2020 | 15-Jan-2020 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 10-Jul-2019 | 10-Jul-2019 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 10-Feb-2020 | 10-Feb-2020 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 10-Feb-2020 | 10-Feb-2020 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 10-Feb-2020 | 10-Feb-2020 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 14-Oct-2019 | 14-Oct-2019 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 13-Jan-2020 | 13-Jan-2020 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 01-Aug-2019 | 16-Sep-2019 | Edit |
| <input type="checkbox"/> |  | Adelaide Workplace Health and Safety | Interactive | COMPLETED | PASSED | 02-Sep-2019 | 02-Sep-2019 | Edit |

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