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February 4, 2025

Teresa Litchfield
Internal Audit Coordinator
Shire of Serpentine Jarrahdale
6 Paterson Street
Mundijong WA 6123

Dear Teresa,

Please find attached our final review assessment report on the 2024 Compliance Audit Return (CAR).

We wish to confirm that only 1 legislative requirement has been correctly reported by the Shire of Serpentine Jarrahdale within the 2024 Compliance Audit Return as being non-compliant. This was:

- F&G Regulation 11A (1) & (3) – Non -compliance with Shire Purchasing Policy for purchases under \$250,000.

No other matters were noted that would indicate that the 2024 Compliance Audit Return information was incorrect.

Yours sincerely



Santo Casilli FCPA PFIIA
Associate Director Internal Audit, Probity and Risk

Australian Audit

Shire of Serpentine Jarrahdale Independent Review Report

2024 Legislative Compliance Audit Return Review

Introduction

Each local government is to carry out a legislative compliance review for the twelve-month period ending 31 December.

A review of the legislative compliance audit return has been performed for the period 1 January 2024 to 31 December 2024 against the requirements included in the 2024 Legislative Compliance Audit Return (CAR).

The completed return is to be submitted to the Director General, Department of Local Government, Sport and Cultural Industries by 31 March 2025.

We conducted our review in accordance with ASAE 3000 “*Assurance Engagement Other than Audits or Reviews of Historical Financial Report*” per the Australian Auditing Standard on Review Engagements issued by the Auditing and Assurance Standards Board.

Our review consisted of making enquiries, primarily of people responsible for the completion and collation of the 2024 Compliance Audit Return (CAR) information, also viewing and assessing documentation made available to us by the Shire of Serpentine Jarrahdale.

Our review conclusion was based on the evidence that was viewed regarding our sample selection.

Background

The completion of the (CAR) questionnaire is an annual event and is seen as an effective tool to assist local governments to enhance or develop their internal control processes to ensure they are meeting their statutory obligations and requirements under the local government legislation as required under Regulation 13 of the Local Government (Audit) Regulations 1996.

Review Objective

Australian Audit was contracted to review the completed (CAR) for the 2024 calendar period to provide a conclusion as to whether the information provided in the 2024 Compliance Audit Return can be relied upon to correctly reflect the Shires compliance or non-compliance of the required legislative requirements as outlined in the 2024 Compliance Audit Return.

Review Scope

The review focused solely on the assessment of the completed 2024 Compliance Audit Return information based on a selected sample which were assessed against support documentation.

The review did not assess the City’s compliance with any other statutory obligations under the Local Government Act 1995 and associated Regulations, which were not included nor sought by the 2024 Compliance Audit Return.

Review Approach / Methodology

The review undertook the following approach:

- Sighted relevant documentation, on a sample basis, as provided by the City's Internal audit Coordinator to support the assessment of compliance or non-compliance information as reported in the 2024 Compliance Audit Return.

The following sections of the 2024 Compliance Audit Return were selected and reviewed. A total of 30 legislative sections were selected for review:

s3.59(2) (c) F&G Reg 7, 8, 8A,10

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2024?

s5.42(1),5.43 Admin Reg 18G

Did the powers and duties delegated to the CEO exclude those as listed in section 5.43 of the Local Government Act 1995?

s5.16(31) (b) & s5.45 (1) (b)

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

S5.46 (1)

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

s5.46(3) Admin Reg 19

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

s5.75 Admin Reg 22, Form 2

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

s5.76 Admin Reg 23, Form 3

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?

s5.88(3)

When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the *Local Government Act 1995*, did the CEO remove from the register all returns relating to that person?

S5.89A(5) & (5A)

Did the CEO publish an up-to-date version of the gift register on the local government's website?

s5.104 (1)

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model Code Conduct?

s5.104(7)

Has the CEO published an up-to-date version of the code of conduct for council members, committee

s3.58(3)

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the *Local Government Act 1995* (unless section 3.58(5) applies)?

s3.58(4)

Where the local government disposed of property under section 3.58(3) of the *Local Government Act 1995*, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

Elect Reg 30G (1) & (2)

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

s7.1A

Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?

s7.9(1)

Was the auditor's report for the financial year ended 30 June 2024 received by the local government by 31 December 2024?

s7.12A(3)

Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

s7.12A(4)(a) & (4)(b)

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?

s7.12A(5)

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the *Local Government Act 1995*, did the CEO publish a copy of the report on the local government's official website?

Audit Reg 10(1)

Was the auditor's report for the financial year ending 30 June 2024 received by the local government within 30 days of completion of the audit?

s5.121(1) & (2)

Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995?

s5.121(3)

Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?

Financial Management Regulation 5 (2) (c)

Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three years prior to 31 December 2023? If yes, please provide the date of council's resolution to accept the report?

Audit Reg 17

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report?

s5.87C

Where a disclosure was made under sections 5.87A or 5.87B of *the Local Government Act 1995*, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?

s5.128(1)

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

F&G Reg 11A (1) & (3)

Did the local government comply with its current purchasing policy adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?

s3.57 F&G Reg 11

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

F&G Reg 12

Did the local government comply with *Local Government (Functions and General) Regulations 1996*, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

F&G Reg 17

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

Review Conclusion

Based on our sample testing, we can conclude that nothing came to our attention during our review and assessment of the support documentation provided for the 30 selected legislative items that would indicate that the 2024 Compliance Audit Return information is incorrect.

All items requiring to be adjusted as noted from our review were discussed with the Shire management and have been adjusted.

We can confirm and agree that only 1 area of non-compliance (**NO** was provided as a response) exists as identified and recorded by the Shire in the 2024 Compliance Audit Return.

This being:

- **F&G Regulation 11A (1) & (3)** – Non-compliance with Shire Purchasing Policy regarding purchases under \$250,000.

No other non-compliance matters came to our attention during our review.