

SUMMARY OF QUOTATION SUBMISSIONS

Respondent & Description of Response	Is it Compliant? Yes or No	Comment Against Criteria			Evaluation Score	Estimated Price (2 Years)	Rank
		Audit methodology	Capacity	Demonstrated experience providing similar services			
Moore Stephens Perth All requirements have been met.	Yes	The proposed audit plan and methodology demonstrated a thorough understanding of the requirements and meets all requirements for statutory auditing and reporting. The response included the timing and hours allocated to the interim and final audit. The firm offers some additional procedures when undertaking the audit. It also offers a range of value-added services such as model financial reports, budget and workshops and financial management reviews.	Moore Stephens nominated a team of five for the City's requirement. The team includes three registered auditors. All members have experience in auditing and local government. An organisational chart and brief CVs were provided for each team member. The organisation has a staff of 91 with 38 of those dedicated to audit and local government services. The firm is located in Perth.	Moore Stephens demonstrated extensive experience auditing local government. It is the current auditor for 45 local governments. Many of these are small regional local government; however other clients include: the Cities of Fremantle, Kwinana, Subiaco and Albany and the Towns of Cottesloe and Claremont.	72%	\$56,700	1

QUOTATION 010/16 PROVISION OF EXTERNAL AUDIT SERVICES

Respondent & Description of Response	Is it Compliant? Yes or No	Comment Against Criteria			Evaluation Score	Estimated Price (2 Years)	Rank
		Audit methodology	Capacity	Demonstrated experience providing similar services			
Grant Thornton Audit Pty Ltd All requirements have been met.	Yes	The proposed audit plan and methodology demonstrated a thorough understanding of the requirements and meets all requirements for statutory auditing and reporting. The response included the timing of the interim and final audit, but did not give any allocation of hours. The firm offers a range of value-added services such as financial management reviews and educational support.	Grant Thornton provided a list of eight team members available for the City's requirement. The team includes two registered auditors. An organisational chart and brief CVs were provided for each team member. The team's experience ranges from graduate to 30+ years. The company has 1,040 staff across Australia and has been in operation since 1908. The firm is located in West Perth.	Grant Thornton demonstrated extensive experience in auditing services including local and state government. It is currently the external auditor for a large number of local governments across Australia. Western Australian clients include the Cities of Perth, Wanneroo, Rockingham, Canning, Belmont, Kwinana, Melville and is the City's incumbent external auditor.	67%	\$64,650	2

QUOTATION 010/16 PROVISION OF EXTERNAL AUDIT SERVICES

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		Audit methodology	Capacity	Demonstrated experience providing similar services			
Macri Partners All requirements have been met.	Yes	The proposed audit plan and methodology demonstrated a good understanding of the requirements and meets all requirements for statutory auditing and reporting. The response included the timing of the interim and final audit and the hours allocated to each task.	It is a chartered accountant partner practice in operation since 1969. It has three partners and 25 staff. The audit team has nine staff. The response included brief CVs of seven key staff including two registered auditors. Given the number of current contracts with other large local governments, the capacity of the small team does not appear sufficient when adding the City's current workload. The firm is located in Burswood.	Macri Partners demonstrated considerable experience performing similar audit services for local government. Current clients include: the Cities of Armadale, Cockburn, Gosnells, Nedlands, Vincent, South Perth and Swan and the EMRC, WMRC, Mindarie Regional Council and six other local governments.	56.5%	\$57,645	3

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		Audit methodology	Capacity	Demonstrated experience providing similar services			
<p>PKF Audit (WA) Pty Ltd</p> <p>All requirements have been met.</p>	Yes	The proposed audit plan and methodology demonstrated a good understanding of the requirements and meets all requirements for statutory auditing and reporting. The response included the timing of the interim and final audit and the hours allocated to each task. The timing of the interim audit needs to be re-considered as it does not meet the City's requirements.	<p>PKF Audit is an international network of firms. Australia has 65 partners and 400 staff. It was not stated how many of the staff resources are located in Perth and how many are dedicated to audit services. A team of three was nominated for the City's requirements; two auditors and an audit manager. The total number of supporting staff was not supplied.</p> <p>The firm is located in West Perth.</p>	<p>PKF Audit did not provide sufficient information demonstrating its company experience providing audit services to local government. The response stated that the firm has prior experience providing assurance and advisory services to Local Government agencies, State owned corporations and large companies; however no specific information on these clients was supplied. Its staff have had prior experience in auditing the Cities of South Perth and Kalgoorlie-Boulder and the Shires of Serpentine-Jarrahdale and Coolgardie. Some current not-for-profit clients include Perth Region NRM, WA Deaf Society Inc, Hillside Christian College and Marra Worra Worra Aboriginal Corporation.</p>	50%	\$48,750	4

QUOTATION 010/16 PROVISION OF EXTERNAL AUDIT SERVICES

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**The Hon Tony Simpson MLA
Minister for Local Government; Community Services;
Seniors and Volunteering; Youth**

Our Ref: 49-10888

TO ALL LOCAL GOVERNMENTS

CIRCULAR N^o 03-2016

**AUDITING OF LOCAL GOVERNMENT BY THE AUDITOR GENERAL – RENEWAL OF
AUDIT CONTRACTS**

The State Government is committed to strengthening local government accountability, performance and transparency and providing for independent oversight of the sector.

As part of this important initiative, it is intended to amend the *Local Government Act 1995* to allow for the Auditor General and the Office of the Auditor General (OAG) to take responsibility for local government financial audits from 1 July 2017.

Under the proposed changes, the Auditor General may contract out some of the financial audits, but all financial audits will be done under the supervision of the Auditor General and the OAG.

I thank all local governments that have provided details of their audit contract expiry date to the Department of Local Government and Communities. This information will assist the OAG to manage the transition to the new auditing arrangements over a proposed two-year period.

The data provided indicates that a number of local governments are currently out of contract and are in the midst of renewing or entering into new audit contracts. I strongly encourage local governments that are in this position to renew their audit contracts up to but not past the 2016/17 audit. If, to secure an auditor, the audit contract has to be renewed beyond the 2016/17 audit, you should renew it for no more than one extra year.

I would appreciate local governments having regard to these matters when considering the renewal of audit contracts.

**HON TONY SIMPSON MLA
MINISTER FOR LOCAL GOVERNMENT; COMMUNITY SERVICES;
SENIORS AND VOLUNTEERING; YOUTH**