

Confidential Minutes of the Audit Committee of the City of Holdfast Bay held via Electronic means in a Virtual Waiting Room on Thursday 23 July 2020.

9. ITEMS IN CONFIDENCE

9.1 External Audit Services (Report No: 205/20)

Motion – Exclusion of the Public – Section 90(3)(k) Order

- 1. That pursuant to Section 90(2) of the Local Government Act 1999 Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 205/20 External Audit Services in confidence.**
- 2. That in accordance with Section 90(3) of the Local Government Act 1999 Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 205/20 External Audit Services on the following grounds:**
 - k. 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 audit services.**

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Moved Ms Davies, Seconded Mr Tu

Carried

Conflict of Interest

Councillor Snewin declared a perceived conflict of interest for Item 9.1 – External Audit Services. The nature of the perceived conflict of interest (pursuant to Section 75 of the *Local Government Act 1999*) is that he is a friend of a Partner at Dean Newberry.

Councillor Snewin dealt with the perceived conflict of interest by making it known and leaving the meeting at 6.47pm.

The term of Councils External Auditor BDO expires with the completion of the 2019/20 financial statements. A select tender process has been undertaken to provide external audit services for a further five years. The outcomes of the tender responses and panel evaluations were provided for the Audit Committee to review.

Motion

1. That Audit Committee recommend to Council that the appointment of Dean Newbury as the External Auditor until the completion of the 2024/25 Financial Statements.

RETAIN IN CONFIDENCE - Section 91(7) Order

2. That having considered Agenda Item 9.1 External Audit Services – Report No 205/20 in confidence under section 90(2) and (3)(k) of the Local Government Act 1999, this order is subject to Section 91(7) of the Act orders that the report, attachments and minutes be retained in confidence until the contract for services has been finalised.

Moved Ms Davies, Seconded Mr Tu

Carried

CONFIDENTIAL

ITEM NUMBER: 9.1

CONFIDENTIAL

EXTERNAL AUDIT SERVICES (Report No: 205/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- k. **tenders for the supply of goods, the provision of services or the carrying out of works.**

Recommendation – Exclusion of the Public – Section 90(3)(k) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 205/20 External Audit Services in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 205/20 External Audit Services on the following grounds:
 - k. 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 audit services.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

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Item No: 9.1
Subject: **EXTERNAL AUDIT SERVICES**
Date: 23 July 2020
Written By: Manager Financial Services
General Manager: Strategy and Business Services, Ms P Jackson

SUMMARY

The term of Councils External Auditor BDO expires with the completion of the 2019/20 financial statements. A select tender process has been undertaken to provide external audit services for a further five years. The outcomes of the tender responses and panel evaluations are provided for the Audit Committee to review.

RECOMMENDATION

1. **That Audit Committee approve the appointment of Dean Newbury as the External Auditor until the completion of the 2024/25 Financial Statements.**

RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Agenda Item 9.1 External Audit Services – Report No 205/20 in confidence under section 90(2) and (3)(k) of the *Local Government Act 1999*, this order is subject to Section 91(7) of the Act orders that the report, attachments and minutes be retained in confidence until the contract for services has been finalised.**
-

COMMUNITY PLAN

A Place that Provides Value for Money.

COUNCIL POLICY

Not Applicable.

STATUTORY PROVISIONS

Not Applicable.

BACKGROUND

The contract for Council's External Auditor BDO expires with the completion of the 2019/20 financial statements. Under the audit Committee terms of reference (item 6.7.4) the committee shall consider and make recommendations to the Council in relation to the appointment or reappointment of the external auditor.

Section 128 of the Local Government Act also specifies the appointment criteria and conditions for the external auditor. Under the Act the existing audit firm (BDO) is eligible to apply for reappointment with the current lead auditor able to be appointed for a further four years. The section of the Act also specifies that the auditor is appointed by the council on the recommendation of the council's audit committee.

REPORT

The term of Council's external auditor will be completed when the 2019/20 financial year audit is finalised and is expected to be during October 2020. The committee has previously resolved that external audit services be put to tender prior to the commencement of the work required for the 2020/21 financial year (Report 137/19). This work is expected to commence in early 2021.

Committee members previously received information about and provided feedback on the select tender process and specification for the service during April. The closing date for submissions was 18 May 2020.

The selected tender process invited responses from the parties listed below (from the LGA procurement service) with the inclusion of Dean Newbery & Partners (prominent SA based external audit firm).

- KPMG
- Deloitte
- Bentleys (SA) Pty Ltd
- PricewaterhouseCoopers
- BDO Audit (SA) Pty Ltd
- PKF Adelaide
- EY (Ernst & Young)
- Dean Newbery & Partners

The confirmed external audit specification was distributed to each firm with a requested response date of 15 May 2020.

Three firms responded with submissions being BDO (existing auditor), Bentleys and Dean Newbery & Partners.

Refer Attachment 1a/b/c

Dean Newbery and Partners were Councils previous external auditor for a ten year period from 2001, while Bentleys were Councils internal auditors for three years from 2016.

The initial responses have been evaluated by a panel comprising the Chair – Audit Committee, General Manager – Strategy and Business Services, Manager Financial Services, General Manager - Alwyndor, Finance Manager – Alwyndor.

The assessment was based around relevant experience, technical skills, approach, fee structure and methodology, staff qualifications and overall resources. The results were collated and applied to the Council’s standard tender evaluation matrix model as attached.

Refer Attachment 2

The weighted scores show that the Dean Newbery submission has the highest overall score combined with the lowest tendered price.

Below are details of the hours and resourcing structure for each submission. It is noted that the BDO response while most expensive has the lowest average hourly rate due to significantly higher number of actual audit hours.

It should also be noted that the Statutes Amendment (Local Government Review) Bill 2020 (the Bill) introduced into Parliament on 17 June 2020 contains a proposed amendment to section 128 (6) of the Local Government Act 1999.

The amendment is as follows:

*“(6) If a firm comprising at least 1 registered company auditor has held office as auditor of a council for 5 successive financial years (the **first firm**), the council—*

(a) must ensure another auditor is appointed as auditor of the council (being a registered company auditor (who is not part of a firm) or another firm comprising at least 1 registered company auditor); and

(b) must not appoint the first firm as its auditor until at least 5 years have passed since the first firm last held the office.”

Under this proposal BDO would be ineligible to be appointed. The Bill is expected to be debated in the House of Assembly in July 2020 and the Legislative Council in September 2020. If passed by the Parliament, it is expected that the new clauses would not commence for several further months.

All submissions are within the external audit budget provided for 2020/21 totalling \$43,960 comprising \$30,000 for Municipal and \$13,960 for Alwyndor.

Resources	BDO		Dean Newbery		Bentleys	
	Hours	Rate	Hours	Rate	Hours	Rate
<i>Partner</i>	20	\$255	37	\$200	26	\$270
<i>Manager</i>	36	\$189	64	\$130	54	\$200
<i>Senior</i>	113	\$116	-	-	87	\$140
<i>Auditor</i>	176	\$87	138	\$100	78	\$100
<i>IT Expert</i>	5	\$116	-	-	-	-
Totals/Annual Cost	350	\$41,000	239	\$29,520	245	\$37,800
Average hourly cost		\$117		\$123		\$154

BUDGET

A total amount of \$43,960 is included in the 2020-21 budget for internal external audit services comprising \$30,000 for Municipal and \$13,960 for Alwyndor.

LIFE CYCLE COSTS

This report does not have any material full-life cycle cost implications.

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Attachment 1a

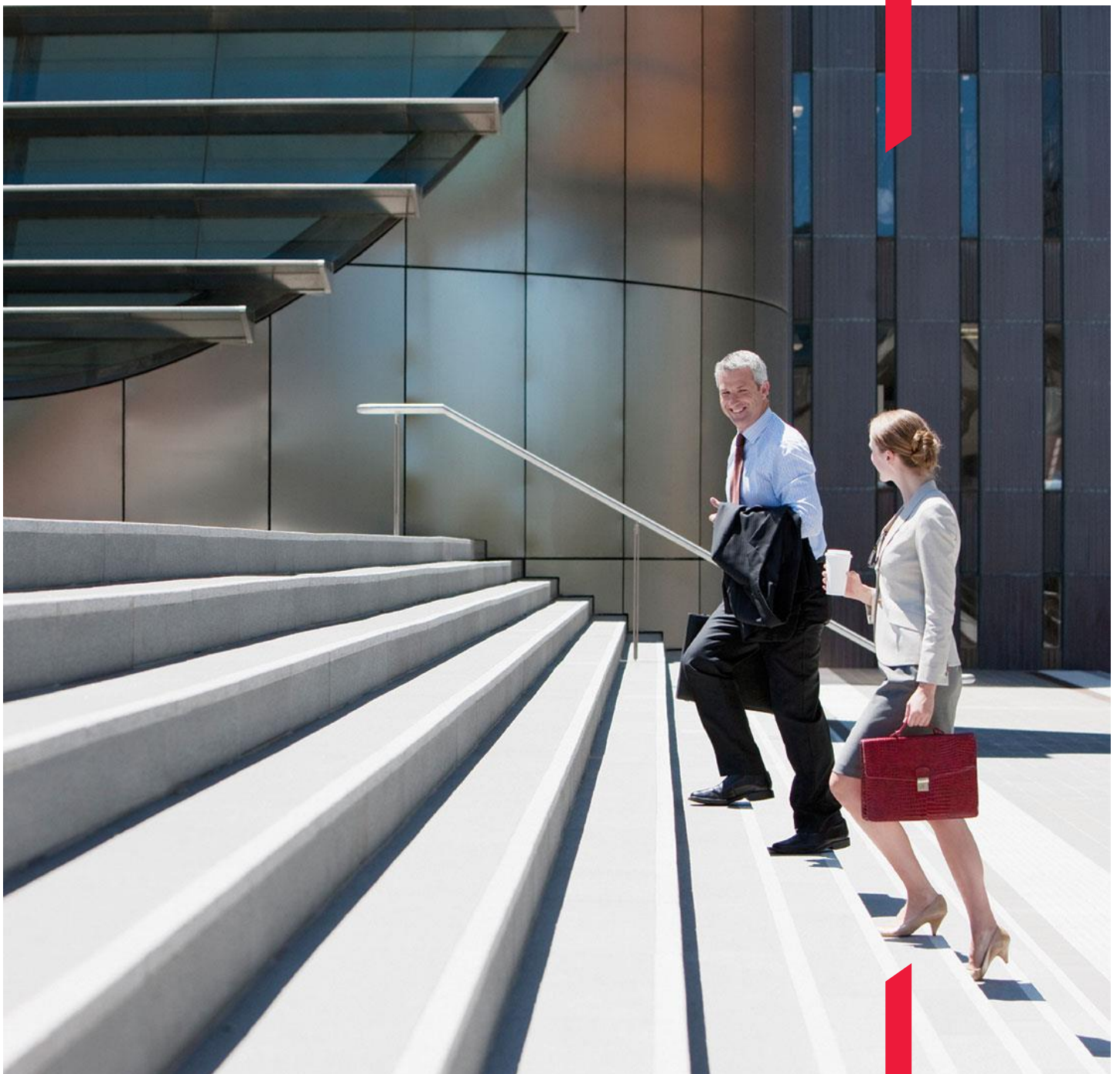




CITY OF HOLDFAST BAY

External Audit - Tender No. 2020 C23

May 2020



PART 1 – TENDER FORM

INSTRUCTIONS: A Tenderer must prepare and lodge this Tender Form in compliance with the RFT and with the additional instructions detailed on this Tender Form as follows. Use additional sheets as necessary, each of which identifies the Tenderer and references the relevant part of the Tender Form. Information provided on one Schedule need not be repeated on another Schedule, but it would assist the evaluation panel if the information were cross-referenced to the other relevant Schedule.

Request for Tender No. 2020 C23 External Auditor

The person(s) named below as the Tenderer now offers to enter into and perform the Contract contemplated in the RFT for the above issued by the Principal. This Tender is submitted in accordance with the RFT and in consideration of, amongst other things, the Principal undertaking to investigate and take it into account with any other Tenders received by the Principal. Expressions used in the RFT have the same meaning in this Tender.

THE TENDERER

Full name(s): BDO Audit (SA) Pty Ltd

[Note: If a partnership or consortium, state the names of all members]

Australian Business Number (A.B.N.): 33 161 379 086

Business Address: Level 7, 420 King William Street, Adelaide, SA, 5000

Contact Address (if different from above): As above

Contact Person: Mr Andrew Tickle

[Note: The contact person must have authority to respond to any queries the Principal may have about the Tender.]

Telephone Number: (08) 7324 6000

Facsimile Number: (08)7324 6111

Email Address: andrew.tickle@bdo.com.au

TENDER DOCUMENTS RECEIVED

The Tenderer received the documents listed below: (list out any addenda issued by the Principal)

Document	Description
1	Request for Tender

ANNEXURES TO THIS TENDER

These annexures (and any additional sheets used by the Tenderer) are part of the Tender:

Schedule 1 – Price

Schedule 2 – Capability

Schedule 3 – Statement of Compliance with the Contract and Specifications

Schedule 4 – Other Matters

SIGNATURE

Dated this 15th day of May 2020

Signature:

Print name of person signing: Andrew Tickle

Title of person signing: Director, BDO Audit (SA) Pty Ltd

The person signing warrants they have authority to complete, sign and submit this form on behalf of the Tenderer.

TENDER FORM SCHEDULE 1 – PRICE

Section 1.1 – Lump sum price

The Tenderer's lump sum price (**before GST**), not subject to rise and fall, is: \$ 218,750.

Customise the table to allow tenderers to provide a breakdown of costs, as detailed as required for evaluation.

Item	Proposed Timing	Cost (Excl. GST)
City of Holdfast Bay – Financial Statement and Internal Controls audit opinions incorporating the financial consolidation of Alwyndor Aged Care under the requirements of the Local Government Act and Regulation	For the year ended 30 June 2021	29,000
Alwyndor Aged Care – Financial Statement audit under the Australian Charities and Not-for-profit Commission Act and Regulations	For the year ended 30 June 2021	12,000
City of Holdfast Bay – Financial Statement and Internal Controls audit opinions incorporating the financial consolidation of Alwyndor Aged Care under the requirements of the Local Government Act and Regulation	For the year ended 30 June 2022	30,000
Alwyndor Aged Care – Financial Statement audit under the Australian Charities and Not-for-profit Commission Act and Regulations	For the year ended 30 June 2022	12,350
City of Holdfast Bay – Financial Statement and Internal Controls audit opinions incorporating the financial consolidation of Alwyndor Aged Care under the requirements of the Local Government Act and Regulation	For the year ended 30 June 2023	31,000
Alwyndor Aged Care – Financial Statement audit under the Australian Charities and Not-for-profit Commission Act and Regulations	For the year ended 30 June 2023	12,750
City of Holdfast Bay – Financial Statement and Internal Controls audit opinions incorporating the financial consolidation of Alwyndor Aged Care under the requirements of the Local Government Act and Regulation	For the year ended 30 June 2024	32,000
Alwyndor Aged Care – Financial Statement audit under the Australian Charities and Not-for-profit Commission Act and Regulations	For the year ended 30 June 2024	13,150

Item	Proposed Timing	Cost (Excl. GST)
City of Holdfast Bay – Financial Statement and Internal Controls audit opinions incorporating the financial consolidation of Alwyndor Aged Care under the requirements of the Local Government Act and Regulation	For the year ended 30 June 2025	33,000
Alwyndor Aged Care – Financial Statement audit under the Australian Charities and Not-for-profit Commission Act and Regulations	For the year ended 30 June 2025	13,500
TOTAL		218,750

Assumptions in the lump sum price

The Tenderer must list below any and all assumptions in calculating the price stated - such as volume and other discounts, the effect on the lump sum price should the Principal decide to accept part only of the Tender. During the evaluation process the Tenderer may be required to supply a detailed breakdown of the price.

No.	Assumptions
1	The price is proposed based on the scope of the audits set out in table above.
2	The prices have been increased annually to reflect the expected inflation relevant to the services being provided
3	The price includes the Roads to Recovery and Wage Declaration small audits.

Exclusions to lump sum price

The Tenderer must list below anything not included in the lump sum price. Anything not listed below is included in the lump sum price.

No.	Exclusions
1	Any additional small audits over those stated above. We would expect to charge \$500-\$1000 (exc GST) for any additional small audits.
2	
3	

Provisional Sums

In the Tenderer's price/s stated above, allow for the following provisional sums.

No.	Item
1	
2	
3	

Section 1.2 – Schedule of rates

The Superintendent of the Contract shall use the schedule of rates **ONLY** to conclusively value:

- (a) any variation, or claim for extra cost or damages by the Contractor under the Contract; and / or
- (b) any additional work (not a “variation” under the Contract) in connection with the site the Principal might order from the Contractor and carried out by the Contractor.

The Tenderer submits the following schedule of rates (**before GST**):

Item	Description	Unit	\$ rate per unit*
1	Audit director	Hour	350
2	Audit manager	Hour	260
3	Audit senior	Hour	160
4	Auditor	Hour	120

* If a rate references **cost**, that means cost as payable by the Contractor to an independent supplier, minus any GST input tax credit allowable to the Contractor and at any time, the Principal may require evidence of that cost, including the original supplier’s invoice to the Contractor.

Rates stated above:

- (1) **Are before any GST.** In addition to those rates, the Contractor may recover from the Principal any GST for which the Contractor is liable on account of a taxable supply to the Principal.
- (2) Are fixed for 12 months from the Closing Date. On any anniversary of that date, rates increase by the percentage change in the Consumer Price Index (all groups index for Adelaide) since the start of the previous 12 months. Work is charged at the rate applicable when the work was done.
- (3) Include all overheads and profit and expenses for work to which the schedule of rates applies, including without limitation:
 - costs of all necessary labour (including on-costs), costs of support staff, administration, secretarial and word processing services
 - costs of transportation
 - incidental materials, preliminaries, overheads, insurances
 - in case of goods - any weighing, packaging, delivery, installation, commissioning
 - in case of services - any fee, levy (including CITB levy), duty, cost, expense or tax (except GST) incurred by the Contractor in providing the service.
- (4) Include all ancillary works and all costs, labour, material, fees, machinery and transport, on costs and profits.

Any item not specifically covered by the schedule of rates may be compared with other similar items in that schedule to determine the acceptability or otherwise of a claim by the Contractor for that item.

Where the schedule of rates applies, the Contractor's payment claim shall be in the same format as that schedule or be accompanied by an itemised schedule of rates for that payment claim, in each case showing the itemised quantity, rate and extended value of each item.

TENDER FORM SCHEDULE 2 – CAPABILITY

This Annexure requires information about the Tenderer’s resources (including financial, technological, physical and human resources) and experience to perform the Contract.

<u>Section 2.1 – Industry experience</u>	Years
Years the Tenderer's business has continuously operated in the supply of goods / services the same or similar to those the Contract requires and of a similar value	15
Years the Tenderer has owned that above business	7
Years the Tenderer's most senior executive officer has held that position	13

<u>Section 2.2 – Financial</u>	Yes	No
Tenderer can provide its financial statements for each of the last 2 financial years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>If yes, provide copies of the financial statements.</p> <p>If no, the annual turnover in the Tenderer’s business in the 2nd to last financial year was \$4.224m and in the last financial year was \$4.263m</p>		

<u>Section 2.3 – Registrations and licences</u>	Yes	No
Tenderer registered for GST?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer registered as an employer / exempt employer under the <i>Return to Work Act 2014</i> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has available any relevant government or industry licence / accreditation / certification?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer requires similar licences / accreditation / certification from all relevant subcontractors?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>If yes to any of the above (except the last), provide evidence showing all conditions and endorsements.</p> <p>Please note Return to Work registration is held under BDO Administration (SA) Pty Ltd. This entity employees every member of staff that BDO Audit (SA) Pty Ltd uses in fulfilling its contract.</p> <p>All relevant certification included in Appendix 2</p>		

<u>Section 2.4 – Insurances</u>	Yes	No
Tenderer insured for public liability for at least \$20 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for product / service warranty liability for at least \$1 million?	<input type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for professional indemnity for at least \$5 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured against loss / damage / destruction of its property for full replacement value?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for comprehensive property damage for road vehicles in service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tenderer requires subcontractors to hold at least the same kinds and levels of insurance cover as above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

For non-vehicle insurances, provide a **certificate of currency** from a licensed insurance broker addressing the amount of cover, the name of the insurer, the expiry date, any non-standard exclusions or deductions, excess payable per claim

All certificates of currency attached at Appendix 1

Section 2.5 – Workplace Health and Safety	Yes	No
Please note, the successful Tenderer will be required to successfully complete a detailed Contractor WHS Contractor Induction Form, and provide all relevant documentation prior to being awarded the contract.		
Tenderer has a health and safety system (including protection of its own employees and subcontractors) relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract? <i>If the Tenderer's WHS system is certified by an independent 3rd party, provide a copy of the certification</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, did a worker of the Tenderer or of a named subcontractor suffer a compensable disability under the <i>Workers Rehabilitation and Compensation Act 1986</i> or <i>Return to Work Act 2014</i> (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor the subject of a default notice / improvement notice / prohibition notice / proceedings for an offence under the <i>Work Health and Safety Act 2012</i> or regulations made under that Act (or equivalent outside SA)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Please provide details of the nominated officer responsible for WHS in your work place:		
If yes to any of the above, provide details		

Section 2.6 – Environment	Yes	No
Tenderer has an environment protection system relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract? <i>If the Tenderer's environment protection system is certified by an independent 3rd party, provide a copy of the certification</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor the subject of an environment protection order / clean-up order / clean-up authorisation / proceedings (civil or criminal) under the <i>Environment Protection Act 1993</i> or regulations under that Act (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please detail any environmentally sustainable initiatives being undertaken by the tenderer.

environmental benefits from use of long-life products, recycled content, reduced transport needs?

BDO does not have an environmental sustainability policy. Due to the nature of our business, we do not have any specific legal obligations regarding the environment or sustainability, and our ability to support environmental sustainability is limited.

However, BDO recognises the importance of the environment and our obligation to minimise our impact. We are committed to complying with all relevant statutory requirements, and actively seek to reduce consumption of resources and make use of recycling initiatives wherever practical.

In addition, as part of our travel policy, BDO offsets the carbon emissions when booking international and domestic flights. Any additional costs arising from the offsets are borne by BDO, and are not disbursed to clients.

Our Environmental Sustainability advisory team is actively involved in helping organisations reduce their carbon footprint through initiatives to:

- ▶ Use resources more effectively
- ▶ Reduce energy usage
- ▶ Upgrade plant and equipment to take advantage of low emissions technology
- ▶ Educate staff and stakeholders.

Please detail any socially sustainable initiative being undertaken by the tenderer.

Support of social enterprise?

Refer above.

We also just recently set up a Corporate Social Responsibility Committee whose mission is to make impact society through our people, environmental and community actions, to make a positive difference.

As part of this, each staff member receives one day paid social responsibility leave. BDO also has a partnership with Treasure Boxes.

If **yes** to any of the above, provide details

Section 2.7 – Local Economic Development

Complete the Table below for the Tenderer's contribution to local economic development in performing the Contract:

Initiatives	Details
Please describe any opportunities for industry development you have identified for this project	<i>The role of this project is primarily compliance focused. The senior members of BDO and City of Holdfast Bay's team will meet regularly throughout the project with the opportunity to share ideas to improve the operations of the City of Holdfast Bay, particularly in financial and risk areas.</i>
Please describe any opportunities for employment creation you have identified for this project	<i>This project plays a part in allowing the BDO Adelaide audit division to continue its practice of hiring five Adelaide based graduates every year.</i>
Please nominate the number of SA Based labour hours that will be delivered under this project	SA Based Labour Hours: 100% - no hours are provided interstate or overseas Non – SA Based Labour Hours:

Section 2.8 – Key staff

Complete the Table below for the Tenderer’s key staff to be deployed in performing the Contract:

Name / Title	Experience / qualifications
Andrew Tickle – Audit Partner	Please refer to CV’s in Appendix 3
Chelsea Aplin – Audit Manager	Please refer to CV’s in Appendix 3
Matthew Khuu – Audit Senior	Please refer to CV’s in Appendix 3

Number of the Tenderer's other staff able to be deployed: 2-3

Section 2.9 – Other resources

	Yes	No
Tenderer has facilities (premises, plant / equipment) available for use under the Contract (having due regard to other commitments of the Tenderer)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has arrangements to ensure the Tenderer a reliable supply of materials in the quantities and at the times required under the Contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer or a named subcontractor has a sufficient number of qualified, trained employees available for use under the Contract (having due regard to other commitments of the Tenderer)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes to any of the above, provide details and complete the following table(s).		

Local Supplies and Equipment to be sourced by the Contractor in the works under the Contract: Complete this Table with the details of businesses within the City of Holdfast Bay that the contractor uses:

Description	Supplier	Location
Supplies:	N/a	
Equipment:	N/a	
Other:	Employees of the BDO audit team live throughout metropolitan Adelaide including within the City of Holdfast Bay	

Section 2.10 – Subcontractors

Complete the Table below for any proposed subcontract work:

Subcontractor	Work to be subcontracted
Name: Address:	None of the audit work will be subcontracted
Name: Address:	
Name: Address:	
Name: Address:	

Note: The awarding of the Contract to the Tenderer is not approval of any named subcontractor as may be required by the Contract

Section 2.11 – Referees

Complete the Table below for 3 unrelated customers based in Australia who in the last 12 months were customers of the Tenderer for goods / services the same or similar to those the Contract requires and of a similar value.

Customer's name: City of Onkaparinga Customer's address: Ramsay Place, Noarlunga Centre, Contact name: Kevin Carter Phone no.: 8384 0030 Email: kevin.carter@onkaparinga.sa.gov.au
Customer's name: City of Adelaide Customer's address: 25 Pirie Street, Adelaide, South Australia Contact name: Liz Packer Phone no.: 8203 7397 Email: l.packer@cityofadelaide.com.au
Customer's name: City of West Torrens Customer's address: 165 Sir Donald Bradman Drive Contact name: Norm Biggs Phone no.: 0419 810 758 Email: nbiggs@wtcc.sa.gov.au

Section 2.12 – Contract disputes	Yes	No
In the last 36 months, did a person give the Tenderer or a named subcontractor a show cause notice, or notice of termination for default?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, did a person have recourse to retention money or other security for work by the Tenderer or by a named subcontractor?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor in an arbitration / litigation in connection with work by the Tenderer (ignoring any only to collect debts or damages owed to the Tenderer)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes to any of the above, provide details		

Section 2.13 – Regulatory history

The following Table concerns any matters at any time in the last 36 months applying to the Tenderer or a named subcontractor, or to a related body corporate of any of them (within the meaning of *Corporations Act 2001*) or to any of their respective directors or shareholders. If a partnership or consortium tenders, apply the above requirement to each member of the partnership / consortium.

	Yes	No
Criminal proceedings for an offence involving dishonesty?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A proceeding (civil or criminal) to which Australian Competition and Consumer Commission / Commissioner for Consumer Affairs (or equivalent regulator outside South Australia) was party?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
An industrial dispute that was referred to an official exercising a function under the <i>Fair Work Act 1994</i> (or equivalent statute outside South Australia) or under the <i>Workplace Relations Act 1996</i> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
A proceeding under the <i>Equal Opportunity Act 1984</i> (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A sanction under the <i>National Code of Practice for the Construction Industry</i> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A complaint by the Commissioner of Consumer Affairs alleging grounds for disciplinary action under the <i>Building Work Contractor's Act 1995</i> (or equivalent regulator under an equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes to any of the above, provide details		

Section 2.14 – Method of working	Yes	No
Tenderer has a quality system (including an inspection and testing regime) relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has a contract management system relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>If yes to any of the above, provide details.</p> <p style="padding-left: 40px;">If the Tenderer's quality system is certified by an independent 3rd party, provide a copy of the certification.</p> <p>BDO in Australia has its own internal inspection program for all audit partners. The City of Holdfast Bay and the proposed engagement team have and will continue to fall within the scope of that program. Further details of the program and other actions in relation to audit quality can be found in BDO's Transparency Report at https://www.bdo.com.au/en-au/insights/bdo/transparency-reports/2019-transparency-report</p> <p>Please Provide details on your methodology, including the following:</p>		

- Proposed manner of working.

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.

- Available adequate resources (including financial, technological, physical and human resources).

BDO in Adelaide

Your audit services will be provided by BDO Audit (SA) Pty Ltd. This audit company has three directors and over 30 staff who provide audit services to many large organisations in South Australia. 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 directors and 152 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.

Audit service team

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 City of Holdfast Bay.

Team member	Role
Andrew Tickle	Engagement Partner
Chelsea Aplin	Engagement Manager
Wendy Lee	Audit Senior

Andrew Tickle - Engagement Partner



Registered Company Auditor No 452836

Andrew will oversee the audit of the City of Holdfast Bay, conduct a high level review of the audit work performed, provide technical accounting and audit support to the audit team and to City of Holdfast Bay. He will be in regular contact with management during the conduct of the audit.

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 Centennial Park Cemetery Authority. He is also a board member of Athletics SA

Chelsea Aplin - Engagement Manager



As engagement manager, Chelsea will be responsible for the overall quality of our service delivery to the City of Holdfast Bay. 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 the City of Norwood, Payneham and St Peters, City of West Torrens, Maxima Group and the Animal Welfare League of South Australia.

Matthew Khuu - Audit Senior



Matthew is an Auditor in the BDO Adelaide office. He has previous audit experience undertaking audits of a variety of private sector clients, including companies, associations and trusts.

Matthew has provided assurance services to a wide range of organisations including Anglicare SA Ltd, Taylor Collison Limited, 1414 Degrees Limited, ACH Group and City of Holdfast Bay.

He will be the lead auditor on site for the City of Holdfast Bay.

Other team members

The audit engagement team outlined above is ably supported by other appropriately qualified members of the BDO Audit team. All team members will be assigned from our Adelaide office. We do not fly staff in from interstate for specific engagements. Should members of your audit team not be available to discuss technical financial, accounting and audit issues with you, you will find one of our other senior team members will be able to respond to your queries.

Staff continuity

We have a commitment to maintain ongoing continuity of staff on all audit engagements. This is not only important from your point of view but also provides efficiencies from our point of view. As our knowledge of your operations is increased from year to year it also enables us to add more value in terms of pro-active advice and reduces inefficiencies caused by the need for new staff to become familiar with your operations.

Hours by role

Our expected hours by role across this engagement are as follows;

ROLE	HOURS
Engagement Partner	20
Engagement Manager	36
Audit Senior	113
Auditor	176
IT Expert	5
TOTAL	350

- Experience to perform the Contract.

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

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

Current and previous external audit clients in the local government sector are

- ▶ City of Adelaide
- ▶ City of Onkaparinga
- ▶ City of West Torrens
- ▶ City of Norwood, St Peters and Payneham
- ▶ City of Tea Tree Gully
- ▶ City of Charles Sturt
- ▶ District Council of Mount Barker
- ▶ Adelaide Hills Council
- ▶ City of Unley

Locally the sector has been through significant change over the last five years through the implementation of the audit opinion requirement on internal controls, the revised considerations for valuing the assets of Councils under AASB 13 Fair Value Measurement and most recently, the first time adoption of AASB 124 amendments to related party disclosures.

In the upcoming years, the sector will be faced with further financial reporting challenges with the adoption of new accounting standards relating to revenue, leases and financial instruments. We will continue to be well-versed on the challenges facing the sector through our significant practical experience.

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

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

BDO's local government experience is not limited to external audit. Our Advisory team has worked extensively with Councils such as the City of Marion, City of Burnside, City of Mitcham, City of Salisbury and City of Whyalla on projects such as

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

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

- Environmental and Social Sustainability Initiatives

Refer above

- Local Economic Development

Refer above

List any other specific evaluation criteria for which you want to receive information about in the tender submissions;

- Eg: Timeframes

Audit timeline

Phase	Activities	Indicative timing
1. Scoping	<p>During this phase, we will:</p> <ul style="list-style-type: none"> ▶ Agree expectations and the terms of our engagement with you ▶ Understand the nature of the engagement in detail ▶ Determine the scope of our work, and the materiality levels to apply. 	January 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. 	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. 	August 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. 	September 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. 	September 2021

Section 2.15 – Other Matters	Yes	No
Would the Tenderer enter into the Contract as an agent / nominee / trustee for a third party?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there a conflict of interest, or potential conflict of interest in the Tenderer being considered for, awarded or performing the Contract?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Tender for less than the whole of the Supplies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is any of the Tender commercial-in-confidence? <i>The Principal assumes that any financial history or financial projections for a Tenderer's enterprise are submitted on a commercial-in-confidence basis</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are there any comments or other matters the Tenderer wishes to submit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>If yes to any of the above, provide details</p> <p>It is our preference that detail of our tender remains between BDO and the City of Holdfast Bay and is not distributed elsewhere.</p>		

TENDER FORM SCHEDULE 3 – COMPLIANCE WITH THE CONTRACT & SPECIFICATIONS

If the Tender complies with all requirements of the Contract stated in PART 6 of the RFT, do not complete this Schedule.

If the Tenderer proposes to change *any* of the requirements of the Contract however, attach as a Schedule 3A in the form of the table below making a statement against each such requirement separately defining the extent to which the Tender does not comply with that requirement. The Tender is taken to comply with each requirement of the Contract except as may be clearly stated otherwise in that table.

STATEMENT OF NON-COMPLIANCE WITH THE CONTRACT CONDITIONS

Clause No.	Title	Does not comply (give full reasons)

If the Tender complies with all requirements of the Specifications stated in PART 7 of the RFT, do not complete this Schedule.

If the Tenderer proposes to change *any* of the requirements of the Specifications however, attach as an Schedule 3B the form of the table below making a statement against each such requirement separately defining the extent to which the Tender does not comply with that requirement. The Tender is taken to comply with each requirement of the Specifications except as may be clearly stated otherwise in that table.

STATEMENT OF NON-COMPLIANCE WITH THE SPECIFICATIONS

Clause No.	Title	Does not comply (give full reasons)

PART 2 – CONTRACT

Please see Attachment 1 – Draft Contract

PART 3 – SPECIFICATIONS

Please see Attachment 2 – Specification / Consultant Brief

Appendix 1 – Copy of Insurance Certificates



3 July 2019

Jardine Lloyd Thompson Pty Ltd
ABN 69 009 098 864

Level 37, 225 George Street
Sydney NSW 2000
PO Box H25
Australia Square NSW 1215

Tel +61 (0)2 9290 8000
Direct +61 (0)2 9290 8019
Fax +61 (0)2 9262 1014
Elena.kazakova@jlt.com.au
www.jlt.com.au

CONFIDENTIAL

To Whom It May Concern:

Certificate of Currency for 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 Business Recovery & Insolvency (SA) Pty Ltd BDO Corporate Finance (SA) Pty Ltd BDO Private Wealth Adviser (SA) Pty Ltd BDO Digital (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 BDO Corporate (SA) Pty Ltd and as defined in the Policy
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 2019 to 30 June 2020 both days at 4:00pm
Limit of Indemnity: \$25,000,000 any one claim
Insurers: Lloyds of London and Zurich Australian Insurance Ltd

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

A handwritten signature in black ink, appearing to read 'Elena Kazakova', written in a cursive style.

Elena Kazakova
Account Manager

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 I-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.



Certificate of registration

Return to Work Act 2014

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

Date of issue: 7 June 2019

Statement of coverage valid until 30 June 2020

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 2020 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 by an employer within 5 business days of a request by a person authorised under section 165(8) of the Act. Failure to do so may result in a maximum penalty of \$1,000 under section 165(3) of the Act.

A person who fraudulently alters a certificate of registration 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



Certificate of Registration as an Auditor

Corporations Act 2001 Subsection 1280(5)

Registered Number: 452836

This is to certify that

ANDREW RAYMOND TICKLE

was on the 25th day of March 2014 registered as an auditor under subsection 1280(2) of the Corporations Act 2001 subject to the conditions contained in the attached schedule.

Dated the 25th day of March 2014.

Issued by the Australian Securities and Investments Commission



Greg Medcraft
Chairman

Certificate of Registration as an Authorised Audit Company

Corporations Act 2001 Subsection 1299C(2)

Registered Number: 438236

This is to certify that

BDO AUDIT (SA) PTY LTD

was on the 11th day of June 2013 registered as an authorised audit company under subsection 1299C(1) of the Corporations Act 2001 subject to the conditions contained in the attached schedule.

Dated the 11th day of June 2013.

Issued by the Australian Securities and Investments Commission



Greg Medcraft
Chairman

Appendix 3 – Staff Profiles



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

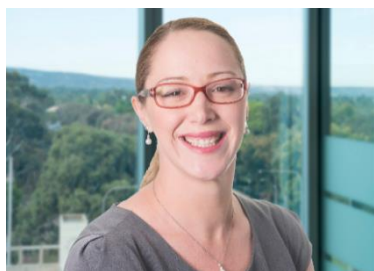
- ▶ Automotive
- ▶ Manufacturing
- ▶ Listed companies
- ▶ Health
- ▶ Senior living
- ▶ Not-for-profit
- ▶ Government & public sector

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.

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

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



MATTHEW KHUU

Senior Auditor, Audit

Matthew is an auditor in BDO's Adelaide Audit division.

Matthew has assisted audit managers and lead auditors in the performance of complex audit assignments and investigations, completing allocated work within required timeframes and budget constraints while maintaining a high quality standard.

Matthew has provided assurance services to a wide range of organisations including Annesley College, Anglicare SA, Rembrandt Living, City of Holdfast Bay, The Playford Hotel, St Andrews Hospital, Taylor Collison, Embertec, and FMG Engineering.

Matthew's experience includes:

- ▶ Undertaking a wide range of external audit engagements including companies, not-for-profit organisations and incorporated associations.
- ▶ Control assessments for Local Government Entities.
- ▶ Identifying areas of potential efficiency improvements.
- ▶ Compiling reports of audit results to senior managers.
- ▶ Daily contact with client, staff and other interested parties.
- ▶ Draft audit reports for review by the lead auditor and senior managers.

Key skills and competencies

- ▶ Experience within an internal and external audit environment
- ▶ Able to work in a team environment with other staff and clients to meet deadlines
- ▶ Able to motivate and lead other staff in projects
- ▶ Analytical and methodical when approaching problems

Areas of expertise

- ▶ Internal and external audit

Industry experience

- ▶ Government services
- ▶ Non-for-profit
- ▶ Manufacturing

Qualifications & memberships

- ▶ Bachelor of Commerce (Accounting)
- ▶ Candidate of the Institute of Chartered Accountants

matthew.khuu@bdo.com.au
Direct: 08 7324 6134

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BDO Centre
Level 7
420 King William Street
Adelaide SA 5000

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

Attachment 1b



Where you want to be.



May 2020

City of Holdfast Bay

Provision of External Audit Services
2021-2025

David Papa, Partner
Level 5, 63 Pirie St, Adelaide SA 5000
Telephone +61 8 8372 7900
dpapa@adel.bentleys.com.au | bentleys.com.au

➤ Advisors

➤ Accountants

➤ Auditors

Executive summary

We are pleased to submit this proposal to the City of Holdfast Bay for the provision of external audit services.

Dear John,

In response to the request for tender, Bentleys SA is delighted to present this proposal for the provision of statutory audit services for The City of Holdfast Bay ('the Council'), which includes the Municipal operations and Alwyndor.

We believe Bentleys SA offers the following differentiating strengths:

- **Significant and highly relevant expertise.** Our deep understanding of the local government sector is evidenced by our work with:
 - Local Government Association of SA Inc
 - Local Government Corporate Services
 - Local Government Finance Authority
 - City of Tea Tree Gully
 - City of Campbelltown
 - City of Prospect
 - City of Unley
 - City of Norwood, Payneham and St Peters
 - Rural City of Murray Bridge
 - City of Burnside
 - The Corporation of the Town of Walkerville
 - City of Charles Sturt
 - Council Solutions
 - Mid Murray Council
 - District Council of Mallala
 - District Council of Coober Pedy
 - District Council of Wudinna
 - Rural City of Murray Bridge
- Further to our knowledge and experience in the sector as a whole, Bentleys has had the privilege of providing internal audit services to the City of Holdfast Bay and Alwyndor in recent years, giving us a depth of knowledge in your organisation and operation that will help us focus our external audit services and maximise the effectiveness and efficiency of our audit service to you. This knowledge extends to:
 - Our understanding of your responsibility to manage Alwyndor
 - The integration of corporate systems you have implemented and operate
 - The organisational culture you maintain
 - The capability of your finance team, and
 - The level of sophistication of your audit committee
- **We understand the nuances of the Aged Care sector.** Over the past 6 years, in addition to being an external auditor of Aged Care facilities, Bentleys has partnered with ACSA SA and nationally to support the aged care industry through some of its toughest reforms ever, now further heightened with the royal commission.



Executive summary

- **Immediate access to resources.** Senior members of our team will support you ensuring the Council will receive a premium service and value for money.
- **We have worked with the same software systems** at other councils giving us a significant understanding of your key systems and process. This also gives us the ability to benchmark your processes against other councils.
- Our audit team uses specialised audit software, and as part of this software solution there is a function called “Xtend” which is a designated secure portal that allows us to communicate with you securely and seamlessly. Not only does Xtend remove the risky transfer of information via email, it is now supporting our audit approach in the current global environment where COVID 19 is creating barriers between businesses. We have used this solution for over 12 months now with great success and client satisfaction. In short, **our partners, team members, systems and audit approach are designed to be flexible and work with you under any circumstances** to ensure we deliver on time as required.
- We are a significant professional services firm in Adelaide with a **specialised audit division** and considerable experience in providing auditing and advisory services. We have 14 experienced auditors, including two registered company auditors, to ensure your audit is timely and of high quality.
- **A commitment to strong working relationships.** We like to meet directly with the audit committee (or a representative of) to discuss operational issues, risks or concerns and to provide feedback on management if desired.
- We maintain **open lines of communication** throughout the audit process to ensure there are **no surprises** and that issues are addressed early and resolved on a timely basis.
- We **guarantee** an unmatched and high level of service to help the Council get where you want it to be.

We tender an audit fee of **\$37,800** (+GST) plus applicable disbursements for the 2021 Audit for the Municipal operation and Alwyndor. This fee covers your financial statement opinion and your internal controls opinion.

Sincerely,



David Papa
Partner,
+61 8 8372 7900
dpapa@adel.bentleys.com.au



Introducing Bentleys

Helping businesses
achieve their goals and
aspirations.



Locally owned and operated

Bentleys SA is locally owned and operated – we are in control of our organisation and are not directed by other parts of Australia or Asia Pacific. Consequently, we have no encumbrances regarding decision making, all our resources are resident in SA and every dollar of revenue generated on our engagements stay in South Australia.

Celebrating 40 years last year, Bentleys SA is a contemporary and insightful business advisory, audit and accounting firm, and has been supporting the growth and development of enterprises in South Australia since its establishment in 1979.

We work with our clients to help them achieve their objectives and get where they want to be.

Your satisfaction guaranteed

Bentleys is committed to upholding its core values and to delivering a high-quality service.

As trusted advisors, we provide the future thinking, strategic direction and business knowledge to add value to your organisation.

International capability

We are a member of Bentleys - an international network of advisory and accounting firms, with more than 700 talented staff delivering solutions from 18 locations across Australia, New Zealand and China.

We work with aspirational businesses and entrepreneurial people to help them achieve their objectives and get where they want to be.

As trusted advisors, we provide the future thinking, strategic direction and businesses and to build personal wealth.

Global presence

Bentleys is a member of Allinial Global, an international association of independent accounting and consulting firms.

With almost 23,000 staff located across 66 countries, Bentleys and Allinial offers you access to a rich array of resources and professional assistance to support your international growth objectives, as required.

An emerging, contemporary firm

Bentleys SA is committed to innovation and development, in line with changing client needs.

Our recent rise through the ranks of the Australian Financial Review's list of Top 100 Accounting Firms suggests that we are indeed evolving in unison with our clients.

Today, our specialisations include:

- strategic business advisory
- wealth management
- superannuation
- cloud accounting
- specialist tax
- R&D tax
- international advisory services
- finance broking
- corporate finance
- IT and Marketing consulting.



Our understanding of your needs

We will provide you with strategic and practical support.

Background, knowledge and scope

We understand that you have requested firms to tender for the provision of statutory audit services for five years commencing 1 July 2020.

You would like an independent audit opinion on your:

- Annual financial report, and
- Internal financial controls.

For both the Municipal operations and Alwyndor (the Council)

Audit requirements

You require the auditor to provide the following services:

- Audit of the general purpose financial statements of the Council for each year in accordance with financial reporting requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Key areas of focus to be:

- Assets and infrastructure capitalisation (including compliance with the standard AASB 13 Fair Value Measurement)
- Depreciation methodology
- Implications of recent accounting standards such as Revenue and Leasing
- Control weaknesses
- Identification of significant and adverse trends, and
- Irregularities in accounting practices.
- Audit of the internal control environment with the view of forming and publishing an opinion. This will include management's monitoring, assessment and implementation of controls.
- Certification of supplementary statements in respect of:
 - Local Government Association Workers Compensation Scheme
 - Roads to recovery, and
 - and other annual acquittals typical for the sector.
- Alwydor's Annual Prudential Compliance Statement will require an audit and audit report to meet aged care reporting compliance requirements.



Our understanding of your needs

Other matters to consider

Through your tender specification and our intimate knowledge and understanding of the local government sector, we understand the following:

- Having worked with many Councils in an audit capacity, we understand the systems and processes that work together and underpin an effective operation for your local government.
- Asset and infrastructure management, maintenance, recording and depreciation are a primary risk for the Council.
- The appointment may include examining and reporting on any matter referred to us by the Audit Committee from time to time.



Methodology and approach

Bentleys participates in regular external quality assurance reviews.

An emphasis is placed on regular training for our employees.

Quality control

Bentleys checks for the adherence to high professional standards by the performance of inter-firm peer reviews. These reviews are performed annually by Partners from interstate firms visiting our office and selecting a range of files at random. The files are then subject to a detailed review and a formal report is prepared.

Both the National Audit Committee and the National Management Committee of the Australian group of Bentleys then consider the resultant office reports.

In addition to the inter-firm reviews by Bentleys, we are subject to quality control reviews by Chartered Accountants Australia and New Zealand.

The presentation and disclosure of a client's financial report is important and we use tailored checklists to ensure all errors are identified and the presentation and disclosure is consistent with the accounting framework adopted.

Notwithstanding our formal quality assurance process, the work on the Council's audit would be completed adopting the following quality control procedures.

- All work performed by our staff is reviewed by a Partner prior to being finalised
- Only appropriate staff with the requisite experience, qualifications and skills are assigned to certain jobs, and
- Our staff members attend training courses on a regular basis so that their professional knowledge and skills are up to date.

Approach and Methodology

Background

Bentleys nationally adopts a risk-based audit approach, which focuses attention on obtaining sufficient audit evidence to reduce the risk of material error in the financial report to an appropriately low level.

A significant portion of our approach is to consider the control environment that the finances operate in.

We use audit software that is compliant with the Clarity Auditing Standards that have the force of law, and we use computer assisted audit techniques where possible to enable an efficient and focussed audit.

1. Planning Visit

Upon our appointment we will visit your offices to obtain a greater understanding of your organisation, and to perform our review and assessment of the accounting systems and internal controls that exist, as required by ASA 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment. We use Internal Control Evaluation matrices and flowcharting to document the key controls that exist for the main transaction streams.



Methodology and approach

We will then perform compliance testing on the key internal controls to verify that they are operating effectively. This will ensure all transactions are accurately and completely posted to the general ledger, and that the risk of errors or misappropriation of assets is as low as possible.

Our assessment of internal controls and accounting systems and procedures will determine the level of analytical review and detailed substantive testing we will perform. This enables us to concentrate our time and efforts on the main audit risk areas and thereby providing you with an efficient and cost-effective audit.

The main audit assertions that we will concentrate on during our testing of the transactions streams will be:

- Occurrence
- Completeness, and
- Accuracy.

During this visit we will examine and test the Council's revenue (Rates; Government Grants; User Charges; Reimbursements; and Other), cash collection and handling procedures and controls, corporate governance structure, budgetary process, IT environment, asset and infrastructure costing and capitalisation and expenditure (including Employee Costs, Depreciation, Materials and Contract expenditure; Insurances; Finance Costs, and Other).

Key focus at our planning visit:

Valuation of assets - Review the valuation and the method of calculating depreciation on Council assets (including the application and impact of AASB 13 and the principals of residual values that has recently been topical in the sector).

Contracts and tenders - Review of agreements and contracts that the Council has entered into with external parties.

Budgeting cash flow - Review of the Council's budgeting process, cash forecasting and rate setting and collection process.

Internal controls - Review of the control self-assessment tool and verification of the sufficiency of controls to plan for and form our internal control opinion.

Related parties – Understanding of related parties record keeping and identification in response to the AASB public sector requirement.

Accounting Standards – Understand how you have applied the new accounting standards relating to Revenue and Leases for the year.

From this visit we will finalise the planning of our audit approach and confirm the scheduled audit visits and reporting deadlines.



Methodology and approach

Prior to the balance date, we will provide you with the following:

- A checklist of audit requirements, setting out the specific information (including external confirmations for bank accounts, investments and loans) we will need as part of our audit testing
- A report on material findings, including weaknesses in controls and matters to be addressed prior to our final visit and review of the annual financial statements, and
- An update on any material accounting standard changes that may impact the financial statements presentation and disclosure.

System and control documentation

As part of our planning visit we will obtain an understanding of your key business processes in order to form an opinion on the internal control environment. Areas we will consider in detail (but not limited to) are:

- Rate revenue and cash collection
- Grant revenue and accounting standards treatment
- Utilities charges and billings
- Commercial revenue generated and how it is managed
- User charges revenues
- Payroll processing and expenditure
- Contracts and tenders
- Purchasing and procurement
- Budget setting and review
- Preparation and review of management accounts, and
- Accounting user set up, access rights and maintenance.

2. Post balance-date Audit Visit

A further audit visit will be scheduled to occur once the trial balance and account reconciliations have been completed by your accounting personnel.

The testing performed at this visit will be for the verification of the assets and liabilities of the Council as reported in the reconciliations and subsidiary ledgers provided to us. We will also test whether there are any unrecorded assets or liabilities that should be recognised.



Methodology and approach

The main audit assertions we will concentrate on during our testing of the balance sheet items are:

- Existence
- Rights and Obligations
- Completeness
- Valuation, and
- Ownership.

The balance sheet items we will be testing will include the following classifications that are considered critical areas to be audited:

- Bank and Short-term investments
- Receivables and Prepayments
- Inventory
- Property, Plant and Equipment
- Infrastructure and Construction Assets
- Investments in Associates
- Creditors and accruals
- Loans
- Provisions, and
- Grants and Unearned Income.

3. Verification of Financial reports

We will verify that the financial report has been accurately prepared in accordance with the reporting framework adopted, and in accordance with the underlying accounting records. We will use a disclosure checklist to ensure all necessary disclosures have been included and check that the financial information is accurately presented.

4. Audit Clearance

At the completion of our audit and the verification of the financial statements, we will meet with management to **discuss the issues arising from our audit** and provide you with verbal feedback.

We will then issue our Audit Clearance Report, which will include:

- Our intended audit opinions
- Details of any significant adverse practices or financial trends
- Details of issues identified with depreciation and asset management
- Information about the audit issues such as control weaknesses
- Recommendations for improvements



Methodology and approach

- Upcoming changes in statutory reporting and the Accounting Standards
- Schedule of Adjusted and Unadjusted errors identified during our audit, and
- Audit Representation letter.

We will **meet with the Audit Committee** to discuss our audit of the financial statements and the control environment. At this meeting we will provide commentary to assist with recommending the financial report be adopted and signed.

Upon receipt of the final financial statements adopted and signed by the Council and the signed representation letter, we will sign our audit reports for the financial statement and the controls opinion.

External audit meets internal audit

At Bentleys we have a strong focus on the internal controls and overall corporate governance of an organisation when forming our external audit opinion. This focus on controls is driven by the fact that we have an experienced risk and assurance team that provide both external and internal audit services.

In conducting our external audit we will bring our internal audit experience to the Council. This will be a significant benefit when considering your Control Self-Assessment and in forming our internal controls opinion.

5. Ongoing support

We encourage Management to discuss technical accounting and audit related matters with us on an ongoing basis throughout the year. We find this helps management in dealing with the issues as they arise, rather than waiting for the annual audit. This also helps the Audit Committee and the Council in their decision making functions, as they are receiving information throughout the year that will be consistent with the information published in the year end accounts. As an example, over the past year we would have helped you assess and understand the impact of the adoption of the new revenue standards for the year in relation to the changes in criteria for tied grant funding.



Methodology and approach

6. Timing

We encourage Management to **discuss technical accounting and audit related matters with us on an ongoing basis** throughout the year.

Indicative timing of our visits and correspondence is represented in the tables below:

March/April	April/May	May/June	May/June
Contact the Council to confirm the dates of the audit. Meet with Audit Committee to discuss risks	Complete testing of internal controls and substantive testing on income statement items.	Undertake audit planning and evaluations. Discuss interim findings and confirm audit plan.	Issue Interim Management Letter.

August/September	September	October
Undertake year-end audit procedures. Check annual financial statements and draft audit management letter for discussion with management.	Submit final management letter to Audit Committee. Meet with the Audit Committee to discuss the outcome of the audit.	Meet/discuss with Council and present with management letter if required. Sign off on financial statements and audit report.



Experience

We are ideally placed to provide audit services to your Council.

Our Experience

Our current audit client base is focused on medium sized organisations. As such, we are ideally placed to provide audit services to your Council.

We provide services to clients in a broad range of industries including Agribusiness, Importers and Wholesalers, Local Government, Schools, Building and Civil Construction, Aged Care, and Not-For-Profits. As a dedicated Audit and Assurance division of Bentleys SA, we provide over 14,000 hours of Audit and Assurance services each year.

Our audit experience includes public companies, large and small proprietary companies, managed investment schemes, Local Government, AFS licensees, Incorporated Associations, Joint Ventures, Unit Trusts, and Superannuation Funds.

Broad Local Government Experience

As an experienced auditor of Councils, the Local Government Association of SA, Local Government Corporate Services and Local Government Finance Authority, as well as members of the SA Local Government Auditors Group and the internal controls evaluation working committee, we have a broad knowledge of the local government sector. This helps us to:

- Understand your needs
- Target our audit approach
- Perform an efficient and seamless audit
- Help keep you up-to-date with industry changes, and
- Provide you with relevant feedback.

Local Government – External Audit

In addition to the work detail above, we also have experience in auditing:

- Local Government Association of South Australia Inc.
- Local Government Corporate Services
- City of Tea Tree Gully
- Rural City of Murray Bridge
- The Corporation of the Town of Walkerville
- City of Burnside
- City of Charles Sturt
- Mid Murray Council
- Adelaide Plains Council
- District Council of Coober Pedy
- District Council of Wudinna
- City of Port Adelaide Enfield
- City of Salisbury, and
- Roxby Downs Council.

Further details and experience can be found in the response schedules.



Experience

Local Government – Internal Audit

We also recently provided internal audit services to the following Councils and local government affiliated entities:

- Local Government Finance Authority
- City of Campbelltown
- City of Prospect
- City of Unley
- City of Norwood, Payneham and St Peters
- City of Holdfast Bay (three years ending June 2019)
- Mt Barker District Council, and
- City of Mitcham.

Our experience and knowledge gained from providing solely internal audit focussed services to these clients assist in us understanding the inner workings of local government.

Other applicable experience

We currently provide external audit services to many entities locally and nationally. The following entity which gives us further experience to service the Council to our understanding of civil construction:

- Leed Engineering and Construction Pty Ltd

Board and Committee experience

Our audit partners are members of boards and finance/audit committees of other entities that are not clients and this helps us to understand the issues from the inside.

David Francis is on the boards and committees of the following:

- Thebarton Community Trust – Secretary
- Bentleys National Audit Technical Advisory Committee – Chair, and
- Bentleys International Special Interest Group – Member.

David Papa is on the boards and committees of the following:

- Adelaide Central Market Authority – Independent Member of Audit Committee
- Council Solutions - Independent Member of Audit Committee (2014-2020)
- City of Victor Harbor - Independent Member of Audit Committee, and
- City of Marion - Independent Member of Audit Committee.



Experience

SA Local Government Auditors Group

Bentleys was on the initial steering committee that established this group and we have been a regular attendee at meetings.

Our involvement in this group allows us to keep abreast of changes in the local government sector and to discuss common issues with our peers.

Both David Papa and David Francis were part of the team charged by the Group to assess and determine the mandatory controls to be implemented and assessed to form the framework for the internal controls opinion.

Public Sector Auditing

We are one of two national mid-tier accounting firms to be included on the current Across Government Audit Panel for provision of Audit and Assurance services to South Australian government agencies. We currently provide services to:

- DPTI
- EDU (formerly DECD)
- SAAS
- DTF
- Public Trustee, and
- Consumer and Business Services.



Your engagement team

In keeping with our belief that public accounting requires substantial top level personnel, all of our audit team personnel are Chartered Accountants or CPA's, or currently in the process of their postgraduate studies.

Our favourable blend of senior and experienced staff allows clients ready access to our key personnel and thereby provides clients with the personal attention, which we consider they deserve. This ratio is also higher than the majority of larger accounting firms operating in Australia and Adelaide and is, in our opinion, one of the major strengths of Bentleys.

In South Australia we have 14 Directors and approximately 120 staff members. Our audit team currently comprises of 13 experienced auditors; ensuring we will always have the resources to meet your needs.

We also have two registered company auditors within our firm:

David Papa - RCA No: 405791

David Francis - RCA No. 210737

The following is a summary of your proposed engagement team:

David Papa

Audit Engagement Partner

David Francis

Quality review/alternate lead auditor

Jayson Palomaria

Audit Manager

Carlo Tabadero

Audit Senior

Adrian Forte

Audit Accountant

David, Jayson, Carlo and Adrian will be further supported by the entire audit team as required. See Appendix three for individual qualifications and experience.

David Papa is also a Certified Internal Auditor (CIA) and an accomplished internal auditor. The benefit to the Council is that with this heightened focus on controls and corporate governance, there is a first rate **ability to assess the control environment** and corporate governance of the Council, and the increased ability to review the newly required controls opinion in addition to providing a quality external audit opinion.



Conclusion

We propose a high quality service.

We look forward to supporting the City of Holdfast Bay.

Bentleys SA is excited by the prospect of working with the City of Holdfast Bay and to contributing to its strategic development.

Bentleys proposes to provide the Council with exceptional service in the provision of statutory audit services.

We believe the Council will appreciate our personal service and enjoy being part of our community.

We have not attempted in this proposal to cover every aspect of the professional services that we would provide. With any queries, please do not hesitate to contact David Papa.

We would be pleased to deliver a formal presentation of our proposal, if helpful.

Contact	David Papa
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Position	Partner
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Telephone	08 8372 7900
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Email	dpapa@adel.bentleys.com.au
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Appendix one

Part 5 – Tender form and Schedules.



PART 5 – TENDER FORM

INSTRUCTIONS: A Tenderer must prepare and lodge this Tender Form in compliance with the RFT and with the additional instructions detailed on this Tender Form as follows. Use additional sheets as necessary, each of which identifies the Tenderer and references the relevant part of the Tender Form. Information provided on one Schedule need not be repeated on another Schedule, but it would assist the evaluation panel if the information were cross-referenced to the other relevant Schedule.

Request for Tender No. 2020 C23 External Auditor

The person(s) named below as the Tenderer now offers to enter into and perform the Contract contemplated in the RFT for the above issued by the Principal. This Tender is submitted in accordance with the RFT and in consideration of, amongst other things, the Principal undertaking to investigate and take it into account with any other Tenders received by the Principal. Expressions used in the RFT have the same meaning in this Tender.

THE TENDERER

Full name(s): Bentleys SA Audit Partnership

[Note: If a partnership or consortium, state the names of all members]

- DB Trust
- Harrabel Family Trust
- Papa Practice Trust
- JMC Investment Trust
- Al Nero Trading Trust
- Alexander Investment Trust
- CA Trust
- Mazzachi Practice Trust
- Evergreen Trust
- CSETB Trust
- TJS_CA#1 Trust

Australian Business Number (A.B.N.): 43 877 091 903

Business Address: Level 5, 63 Pirie Street, Adelaide SA 5000

Contact Address (if different from above):

Contact Person: Mr David Papa

[Note: The contact person must have authority to respond to any queries the Principal may have about the Tender.]

Telephone Number: 08 8372 7900

Facsimile Number: 08 8372 7999

Email Address: dpapa@adel.bentleys.com.au

TENDER DOCUMENTS RECEIVED

The Tenderer received the documents listed below: (list out any addenda issued by the Principal)

Document	Description
1	Request for Tender
2	Specification
3	DRAFT Contract

ANNEXURES TO THIS TENDER

These annexures (and any additional sheets used by the Tenderer) are part of the Tender:

Schedule 1 – Price

Schedule 2 – Capability

Schedule 3 – Statement of Compliance with the Contract and Specifications

Schedule 4 – Other Matters

SIGNATURE

Dated this 13th day of May 2020

Signature: 

Print name of person signing: David Papa

Title of person signing: Partner

The person signing warrants they have authority to complete, sign and submit this form on behalf of the Tenderer.

TENDER FORM SCHEDULE 1 – PRICE

Section 1.1 – Lump sum price

The Tenderer's lump sum price (**before GST**), not subject to rise and fall, is: \$ 196,650 for the five years of service.

Customise the table to allow tenderers to provide a breakdown of costs, as detailed as required for evaluation.

Item	Proposed Timing	Cost (Excl. GST)
Audit for the 2021 year end	March – October 2021	\$37,800
Audit for the 2022 year end	March – October 2022	\$38,550
Audit for the 2023 year end	March – October 2023	\$39,300
Audit for the 2024 year end	March – October 2024	\$40,100
Audit for the 2025 year end	March – October 2025	\$40,900
TOTAL		\$196,650

Assumptions in the lump sum price

The Tenderer must list below any and all assumptions in calculating the price stated - such as volume and other discounts, the effect on the lump sum price should the Principal decide to accept part only of the Tender. During the evaluation process the Tenderer may be required to supply a detailed breakdown of the price.

No.	Assumptions
1	An indicative 2% CPI was applied to the base year for each subsequent year
2	
3	

Exclusions to lump sum price

The Tenderer must list below anything not included in the lump sum price. Anything not listed below is included in the lump sum price.

No.	Exclusions
1	None to note – Bentleys do not charge an administration fee of any other fee.
2	Disbursements are not expected for this engagement, however, if any are mutually agreed, they are not included above.
3	

Provisional Sums

In the Tenderer's price/s stated above, allow for the following provisional sums.

No.	Item
1	None to note
2	
3	

Section 1.2 – Schedule of rates

The Superintendent of the Contract shall use the schedule of rates **ONLY** to conclusively value:

- (a) any variation, or claim for extra cost or damages by the Contractor under the Contract; and / or
- (b) any additional work (not a “variation” under the Contract) in connection with the site the Principal might order from the Contractor and carried out by the Contractor.

The Tenderer submits the following schedule of rates (**before GST**):

Item	Description	Unit	\$ rate per unit*
1	Partner	26 hours	270
2	Manager	54 hours	200
3	Senior	87 hours	140
4	Auditor	78 hours	100

* If a rate references **cost**, that means cost as payable by the Contractor to an independent supplier, minus any GST input tax credit allowable to the Contractor and at any time, the Principal may require evidence of that cost, including the original supplier’s invoice to the Contractor.

Rates stated above:

- (1) **Are before any GST.** In addition to those rates, the Contractor may recover from the Principal any GST for which the Contractor is liable on account of a taxable supply to the Principal.
- (2) Are fixed for 12 months from the Closing Date. On any anniversary of that date, rates increase by the percentage change in the Consumer Price Index (all groups index for Adelaide) since the start of the previous 12 months. Work is charged at the rate applicable when the work was done.
- (3) Include all overheads and profit and expenses for work to which the schedule of rates applies, including without limitation:
 - costs of all necessary labour (including on-costs), costs of support staff, administration, secretarial and word processing services
 - costs of transportation
 - incidental materials, preliminaries, overheads, insurances
 - in case of goods - any weighing, packaging, delivery, installation, commissioning
 - in case of services - any fee, levy (including CITB levy), duty, cost, expense or tax (except GST) incurred by the Contractor in providing the service.
- (4) Include all ancillary works and all costs, labour, material, fees, machinery and transport, on costs and profits.

Any item not specifically covered by the schedule of rates may be compared with other similar items in that schedule to determine the acceptability or otherwise of a claim by the Contractor for that item.

Where the schedule of rates applies, the Contractor's payment claim shall be in the same format as that schedule or be accompanied by an itemised schedule of rates for that payment claim, in each case showing the itemised quantity, rate and extended value of each item.

TENDER FORM SCHEDULE 2 – CAPABILITY

This Annexure requires information about the Tenderer’s resources (including financial, technological, physical and human resources) and experience to perform the Contract.

<u>Section 2.1 – Industry experience</u>	Years
Years the Tenderer's business has continuously operated in the supply of goods / services the same or similar to those the Contract requires and of a similar value	14
Years the Tenderer has owned that above business	The partners of Bentleys have had differing years of ownership spanning 30 year to 4 years
Years the Tenderer's most senior executive officer has held that position	The partners are the senior executives, therefore 30 to 4 years

<u>Section 2.2 – Financial</u>	Yes	No
Tenderer can provide its financial statements for each of the last 2 financial years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>If yes, provide copies of the financial statements. Upon our appointment we would be happy to provide a copy of our financial statements.</p> <p>If no, the annual turnover in the Tenderer’s business in the 2nd to last financial year was \$15,389,787 and in the last financial year was \$16,095,386</p>		

<u>Section 2.3 – Registrations and licences</u>	Yes	No
Tenderer registered for GST?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer registered as an employer / exempt employer under the <i>Return to Work Act 2014</i> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has available any relevant government or industry licence / accreditation / certification?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer requires similar licences / accreditation / certification from all relevant subcontractors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>If yes to any of the above (except the last), provide evidence showing all conditions and endorsements. Copies are provided on the following pages.</p>		

mal



Australian Government
Australian Taxation Office



045

ALEXANDER INVESTMENT TRUST & JMC
INVESTMENT TRUST & MAZZACHI PRACTICE
GPO BOX 939
ADELAIDE SA 5001

Our reference: 7104132528501
Phone: 13 28 66
GST Registration Number: 74 852 475 418

27 June 2016

Your GST registration

Dear Sir/Madam

We've registered you for goods and services tax (GST). The details of your registration are:

GST registration number:	74 852 475 418
Account name:	BENTLEYS PARTNERSHIP
Date registration takes effect:	1 April 2016
GST tax periods:	Quarterly
GST accounting method:	Accrual

As your GST tax periods are quarterly, you need to lodge a GST return with us for each quarter. Quarterly tax periods end on 30 September, 31 December, 31 March and 30 June.

Your GST return will form part of an activity statement that is issued towards the end of each quarter for you to complete and send back to us. Your completed activity statement needs to be lodged on or before the 28th day of the month following the end of each quarter, with the exception of the December quarter. For the December quarter, returns need to be lodged by 28 February.

Wine equalisation tax, luxury car tax or fuel tax credits

If you indicated on your application for registration that you may have obligations under the wine equalisation tax, luxury car tax or fuel tax credits legislation, you will be contacted at a later date for further details.

Review rights

You may object to:

- the registration
- the date of effect of your registration
- the tax periods that apply to you
- the date of effect of your tax periods
- refusing permission to account on a cash basis, and
- the date of effect of permission to account on a cash basis.

You need to lodge your objection in writing within 60 days from the date of service of this notice. For information about your objection rights, visit www.ato.gov.au/object

For more information

You can find out more on our website, www.ato.gov.au/gst or phone **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

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If you're calling from outside Australia, please phone **+61 2 6216 1111** between 8.00am and 5.00pm Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT), Monday to Friday, and ask for **13 28 66**.

What you need if you phone us

We need to know we're talking to the right person before we can discuss your tax affairs. We'll ask for details only you or someone you've authorised would know. An authorised person is someone who you've previously told us can act on your behalf. It will help if you quote 'Our reference', which you will find at the top of this letter. If you can, please have your tax file number or ABN with you.

Yours faithfully

Robert Ravello
Deputy Commissioner of Taxation



Sensitive: Personal



Certificate of registration

Return to Work Act 2014

Employer number 28260205
Employer name Bentleys (SA) Pty Ltd as T/tee
Trading name Bentleys (SA) Pty Ltd

Date of issue: 17 July 2019

Statement of coverage valid until 30 June 2020

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

Bentleys (SA) Pty Ltd as T/tee is registered from 01/07/2016

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 2020 or until Bentleys (SA) Pty Ltd as T/tee 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 by an employer within 5 business days of a request by a person authorised under section 165(8) of the Act. Failure to do so may result in a maximum penalty of \$1,000 under section 165(3) of the Act.

A person who fraudulently alters a certificate of registration 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



Certificate of Registration as an Auditor

Corporations Act 2001 Subsection 1280(5)

Registered Number: 405791

This is to certify that

DAVID VINCENT PAPA

was on the 5th day of July 2011 registered as an auditor under subsection 1280(2) of the Corporations Act 2001 subject to the conditions contained in the attached schedule.

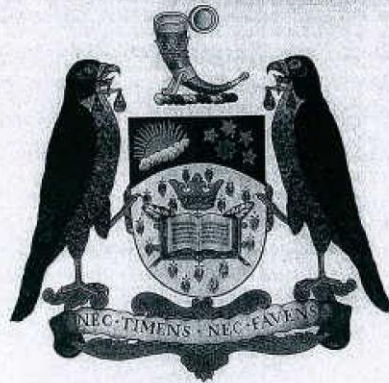
Dated the 5th day of July 2011.

Issued by the Australian Securities and Investments Commission



Greg Medcraft
Chairman

INCORPORATED BY
ROYAL CHARTER
19TH JUNE, 1928



ARMS ASSIGNED BY
THE EARL MARSHAL OF ENGLAND
26TH OCTOBER, 1929

The Institute of
Chartered Accountants
in Australia

CERTIFICATE OF MEMBERSHIP

No. 307579

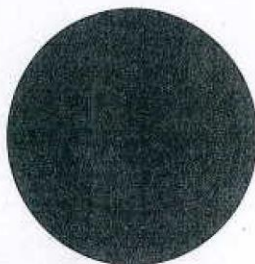
This is to Certify that

David Vincent Papa

*was duly admitted to membership in the Institute
on the 1st October 2008
and is entitled to use the initials*

C.A.

*Given under the Common Seal of
The Institute of Chartered Accountants in Australia.*



[Signature]
President

[Signature]
Chief Executive Officer

Section 2.4 – Insurances	Yes	No
Tenderer insured for public liability for at least \$20 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for product / service warranty liability for at least \$1 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for professional indemnity for at least \$5 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured against loss / damage / destruction of its property for full replacement value?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for comprehensive property damage for road vehicles in service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tenderer requires subcontractors to hold at least the same kinds and levels of insurance cover as above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
For non-vehicle insurances, provide a certificate of currency from a licensed insurance broker addressing the amount of cover, the name of the insurer, the expiry date, any non-standard exclusions or deductions, excess payable per claim		



OFFICE INSURANCE

Certificate of Currency

Issue Date
11 July 2019

INSURER: Insurance Australia Limited
ABN 11 000 016 722
AFSL 227681
Trading as CGU Insurance
181 WILLIAM ST,
MELBOURNE VIC 3000

The policy referred to is current as at the date of issue of this certificate and whilst an expiry date has been indicated it should be noted that the policy may be cancelled in the future. Accordingly, reliance should not be placed on the expiry date.

To whom it may concern

Policy Details

Policy Number: 15T7036259
Type of Policy: Office Insurance
Expiry Date: 30 June 2020
Insured: Bentleys (SA) Pty Ltd

Cover Details

Section 5 - Liability

	Sum Insured
Public Liability	\$ 20,000,000
Products Liability	\$ 20,000,000

This is to certify cover has been granted in terms of the Company's Standard Policy, a copy of which is available on request. This certificate is not a substitute for the Policy of Insurance issued to you. The Policy, not this certificate, details your rights and obligations and the extent of your insurance cover.



Unity Insurance Brokers Pty Ltd

ACN: 008 735 340 ABN: 78 611 079 527



Telephone: (08) 92022100 Facsimile: (08) 9444 3904

CERTIFICATE OF CURRENCY

INSURED: Bentley's (SA) Pty Ltd
POLICY TYPE: Professional Indemnity Insurance
LIMIT OF INDEMNITY: \$10 million any one claim and in the aggregate
POLICY NO: 05PI010834
INSURER: Chubb Insurance Australia Limited
EXPIRY DATE: 01/07/2020

This certificate of currency advice confirms the existence of an insurance policy as specified above as at **Wednesday, 3 July 2019**. This certificate does not guarantee the policy will remain current for the full term of the policy. Unity Insurance Brokers are not responsible for updating the recipient of this certificate of any changes to this policy.

WAYNE HOLT
Dip.Fin.Serv. (Broking) QFIB
DIRECTOR

Section 2.5 – Workplace Health and Safety	Yes	No
Please note, the successful Tenderer will be required to successfully complete a detailed Contractor WHS Contractor Induction Form, and provide all relevant documentation prior to being awarded the contract.		
Tenderer has a health and safety system (including protection of its own employees and subcontractors) relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract? <i>If the Tenderer's WHS system is certified by an independent 3rd party, provide a copy of the certification</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, did a worker of the Tenderer or of a named subcontractor suffer a compensable disability under the <i>Workers Rehabilitation and Compensation Act 1986</i> or <i>Return to Work Act 2014</i> (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor the subject of a default notice / improvement notice / prohibition notice / proceedings for an offence under the <i>Work Health and Safety Act 2012</i> or regulations made under that Act (or equivalent outside SA)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Please provide details of the nominated officer responsible for WHS in your work place: Davina Carne, People & Culture, dcarne@adel.bentleys.com.au		
If yes to any of the above, provide details		

Section 2.6 – Environment	Yes	No
Tenderer has an environment protection system relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract? <i>If the Tenderer's environment protection system is certified by an independent 3rd party, provide a copy of the certification</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor the subject of an environment protection order / clean-up order / clean-up authorisation / proceedings (civil or criminal) under the <i>Environment Protection Act 1993</i> or regulations under that Act (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please detail any environmentally sustainable initiatives being undertaken by the tenderer.

environmental benefits from use of long-life products, recycled content, reduced transport needs?

Declaration of Commitment

Bentleys is committed to adopting environmentally responsible practices in the performance of its activities. Our policy statement applies to all Bentleys employees, Partners, consultants and contractors.

Policy Statement

Bentleys aims to continually improve its practices that involve energy and water usage, materials and waste management.

Environmental Sustainability Objectives

- Provide awareness among staff to adopt sustainability practices and to incorporate them into their work.
- Minimising the consumption of energy, water and other material resources and their efficient use.
- Exercise practical applications to reduce waste generation to minimise landfill.
- Work with suppliers and collaborating organisations that perform their activities in sustainable manner.
- Maximise the proper disposal of materials including recycling and collaborating with waste disposal programs.
- Reduce emissions from all work-related activities and decrease our overall footprint.
- Purchase materials and energy based on sustainability principles, wherever possible.
- Use products from local sources wherever possible.
- Integrating environmental sustainability into business decisions.

Key Priorities

Reduction in energy consumption and waste material.

Please detail any socially sustainable initiative being undertaken by the tenderer.

Support of social enterprise?

As a socially aware organisation, we are conscious of the need to give back to our community, for example:

- Providing honorary audits to various charities.
- Some Bentleys Directors serve on the Boards of NGOs.
- Bentleys SA activated a Bushfire Recovery and Rebuild Assistance Package for Businesses and Individuals in need.
- Staff donations for casual clothes days are donated to various charities.
- Regular donation drives such as Biggest Morning Tea, Movember and Uniting Communities Christmas Appeal.
- Bentleys support Renew Adelaide initiative by the government by providing business advisory services at no cost.
- Work from home initiatives has contributed to the decrease of energy consumption, paper wastage, carbon emissions, and support government advice for social distancing.
- Bentleys is an equal opportunity employer.

If **yes** to any of the above, provide details

Section 2.7 – Local Economic Development

Complete the Table below for the Tenderer's contribution to local economic development in performing the Contract:

Initiatives	Details
Please describe any opportunities for industry development you have identified for this project	<i>improved technology?</i> <i>the role of businesses in the area of the Principal?</i> Not applicable for this project.
Please describe any opportunities for employment creation you have identified for this project	<i>the employment of trainees / apprentices?</i> Not applicable for this project.
Please nominate the number of SA Based labour hours that will be delivered under this project	SA Based Labour Hours: 245 hours Non – SA Based Labour Hours: 0

Section 2.8 – Key staff

Complete the Table below for the Tenderer’s key staff to be deployed in performing the Contract:

Name / Title	Experience / qualifications
David Papa - Lead Auditor	<p>Qualifications</p> <ul style="list-style-type: none"> - Bachelor of Commerce (Accounting) - Chartered Accountant - Certified Internal Auditor - Member CAANZ - RCA 405791 <p>Experience</p> <p>David has been with Bentleys since 2004 and been a partner of the firm since 2012 and during this time he has been the lead audit partner for the following councils and related entities:</p> <ul style="list-style-type: none"> - Mid Murray Council - Adelaide Plains Council - City of Port Adelaide and Enfield - City of Salisbury - Coober Pedy - Coorong District Council - Yankalilla District Council - Roxby Downs Council - City of Tea Tree Gully - The Corporation of the town of Walkerville - City of Charles Sturt <p>David has also led internal audit engagements for the following councils and related entities:</p> <ul style="list-style-type: none"> - Local Government Finance Authority - City of Campbelltown - City of Prospect - City of Unley - City of Norwood, Payneham and St Peters - City of Holdfast Bay - Mt Barker District Council - City of Mitcham <p>David is a Chartered Accountant; a Registered Company Auditor; a Certified Internal Auditor; and a Registered Self-Managed Super Fund Auditor.</p> <p>As a Certified Internal Auditor (CIA) David is able to provide his local government clients with a heightened focus and insight on controls and corporate governance.</p> <p>David is an active member of the SA Local Government Auditors Group and has been a regular presenter at the SALGFMG annual conferences. David also sits on several audit committees for councils and local government authorities.</p> <p>David initially studied Science at University before switching to Accounting and has worked in various organisations and also owned his own small businesses, before joining Bentleys and progressing to Partner.</p>

<p>David Francis - Quality Review/Alternate Lead Auditor</p>	<p>Qualifications</p> <ul style="list-style-type: none"> - Bachelor of Accountancy - Chartered Accountant - Member CAANZ - RCA 210737 <p>Experience</p> <p>David has been with Bentleys since 1994 and been a partner of the firm since 2006 and during this time he has been the lead audit partner for the following councils and related entities:</p> <ul style="list-style-type: none"> - Wudinna - Murray Bridge - Burnside - Charles Sturt - LGA <p>David is also the lead audit partner for several Aboriginal Corporations including Koonibba Community Aboriginal Corporation near Ceduna.</p> <p>David is an active member of the SA Local Government Auditors Group and has been a regular presenter at the SALGFMG annual conferences. David is the South Australian representative and also chair of the Bentleys National Technical Advisory Committee.</p> <p>David is a Chartered Accountant; a Registered Company Auditor; a Registered Self Managed Super Fund Auditor; and a Registered Examiner of Legal Practitioners Trust accounts in South Australia. David also chairs the Bentleys National Audit Technical Advisory Committee.</p> <p>David started his career with Coopers & Lybrand (PwC) before moving to Bentleys as Audit Manager and also gained International experience working in London on secondment for a year.</p>
<p>Jayson Palomaria – Audit Manager</p>	<p>Qualifications</p> <ul style="list-style-type: none"> - Bachelor of Science in Accountancy - Certified Practicing Accountant (CPA) - Certified Fraud Examiner (CFE) - Certified Internal Auditor (CIA) <p>Experience</p> <p>Jayson re-joined Bentleys in 2019 and was previously at several mid-tier audit firms and Deloitte in audit roles over the past 13 years.</p> <p>Jayson has considerable experience auditing a wide variety of organisations, including local government councils and authorities.</p> <p>Jayson has many years in managing audits and leading teams through the audit processes to ensure effective and efficient audits.</p>

<p>Carlo Tabadero – Audit Senior</p>	<p>Qualifications</p> <ul style="list-style-type: none"> - Bachelor of Science in Accountancy - Certified Public Accountant (CPA) <p>Experience</p> <p>Carlo joined Bentleys in 2019 and was previously a senior auditor with KPMG for two years and an audit associate with EY for two years. Carlo also has experience as a financial analyst with a large multi-national property developer.</p>
<p>Adrian Forte – Audit Accountant</p>	<p>Qualifications</p> <ul style="list-style-type: none"> - Bachelor of Commerce (Accounting) <p>Experience</p> <p>Adrian joined Bentleys in 2017. Adrian provides audit and assurance services to a range of clients including external audit, internal control reviews, trust account audits and financial reporting.</p> <p>Adrian has worked on a diverse set of clients including local government entities, not-for-profit entities, aged care, charities, sporting groups and construction companies.</p>

Number of the Tenderer's other staff able to be deployed:

We believe the nominated staff will be sufficient for this contract. However, should we require additional support this will be discussed with you in advance.

Curriculum vitae for your proposed team are provided at **Appendix three**.

Section 2.9 – Other resources

	Yes	No
Tenderer has facilities (premises, plant / equipment) available for use under the Contract (having due regard to other commitments of the Tenderer)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has arrangements to ensure the Tenderer a reliable supply of materials in the quantities and at the times required under the Contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer or a named subcontractor has a sufficient number of qualified, trained employees available for use under the Contract (having due regard to other commitments of the Tenderer)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>If yes to any of the above, provide details and complete the following table(s).</p> <p>Current Workload</p> <p>We believe there are no commitments or restrictions that would prevent Bentleys from providing a quality service to the City of Holdfast Bay.</p> <p>We have various other client commitments and we manage these by having a well-resourced team, and communicating with our clients in advance and having a clear understanding of agreed timelines to ensure a smooth audit process.</p> <p>We resource plan on a rolling basis based on our strategic direction and contracted work. This enables us to identify where we are going to focus our resources and where we may need to strengthen our resources to manage our commitments. We typically plan 6 to 12 months ahead when looking at our resourcing, ensuring we have capacity to meet deadlines.</p> <p>As an audit team, we are 13 resources strong and growing, and as a firm there are approximately 120 people. Therefore, we have the capacity to manage new contracts while maintaining our corporate and customer service values.</p> <p>Availability</p> <p>We confirm that we currently have sufficient and appropriately skilled resources to ensure the Council receives the level of service it needs in a timely basis. Should there be an unforeseen change in our resourcing, our above approach to resource planning will ensure that our service standard is upheld.</p> <p>Additional Services</p> <p>Bentleys is able to take on additional services as requested, where permissible (i.e. no conflict of interest exists). The benefit of a strong team like Bentleys is that we will have resources available to undergo the work at reasonably short notice if required.</p>		

Local Supplies and Equipment to be sourced by the Contractor in the works under the Contract: Complete this Table with the details of businesses within the City of Holdfast Bay that the contractor uses:

Description	Supplier	Location
Supplies:		
Equipment:		
Other:		

Section 2.13 – Regulatory history

The following Table concerns any matters at any time in the last 36 months applying to the Tenderer or a named subcontractor, or to a related body corporate of any of them (within the meaning of *Corporations Act 2001*) or to any of their respective directors or shareholders. If a partnership or consortium tenders, apply the above requirement to each member of the partnership / consortium.

	Yes	No
Criminal proceedings for an offence involving dishonesty?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A proceeding (civil or criminal) to which Australian Competition and Consumer Commission / Commissioner for Consumer Affairs (or equivalent regulator outside South Australia) was party?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
An industrial dispute that was referred to an official exercising a function under the <i>Fair Work Act 1994</i> (or equivalent statute outside South Australia) or under the <i>Workplace Relations Act 1996</i> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A proceeding under the <i>Equal Opportunity Act 1984</i> (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A sanction under the <i>National Code of Practice for the Construction Industry</i> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A complaint by the Commissioner of Consumer Affairs alleging grounds for disciplinary action under the <i>Building Work Contractor's Act 1995</i> (or equivalent regulator under an equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes to any of the above, provide details		

Section 2.14 – Method of working	Yes	No
<p>Tenderer has a quality system (including an inspection and testing regime) relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract?</p> <p>Automated Quality Control Compliance Procedures</p> <p>Bentleys utilises CaseWare Working Papers 2018 (“CaseWare”). CaseWare embeds quality control points in the audit process which ensure that compliance with Clarity auditing standards has been achieved and is documented.</p> <p>CaseWare also facilitates the identification and rating of audit risks both at the planning stage and during the audit process and the selection of appropriate audit procedures which address these risks at the assertion level for each audit area. The bridge between audit risks identified and audit procedures adopted are outlined in area risk assessments which are prepared for each relevant audit area.</p> <p>CaseWare has been tailored to meet Australian requirements and provides a comprehensive range of checklists and audit programs to ensure that Clarity auditing standard requirements and accounting standard reporting requirements are met. Audit templates are subject to continual review and are updated regularly to reflect changes in auditing standards and the Bentleys audit methodology.</p> <p>Bentleys checks for the adherence to high professional standards by the performance of inter-firm peer reviews. These reviews are performed annually by Partners from interstate firms visiting our office and selecting a range of files at random. The files are then subject to a detailed review and a formal report is prepared.</p> <p>Both the National Audit Committee and the National Management Committee of the Australian group of Bentleys then consider the resultant office reports.</p> <p>In addition to the inter-firm reviews by Bentleys, we are subject to quality control reviews by Chartered Accountants Australia and New Zealand and ASIC.</p> <p>The presentation and disclosure of a client’s financial report is important and we use tailored checklists to ensure all errors are identified and the presentation and disclosure is consistent with the accounting framework adopted.</p> <p>Notwithstanding our formal quality assurance process, the work on the Council’s audit would be completed adopting the following quality control procedures.</p> <ul style="list-style-type: none"> - All work performed by our staff is reviewed by a Partner prior to being finalised; - Only appropriate staff with the requisite experience, qualifications and skills are assigned to jobs; - Our staff members attend training courses on a regular basis so that their professional knowledge and skills are up to date. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Tenderer has a contract management system relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract?</p> <p>Not applicable for this service.</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

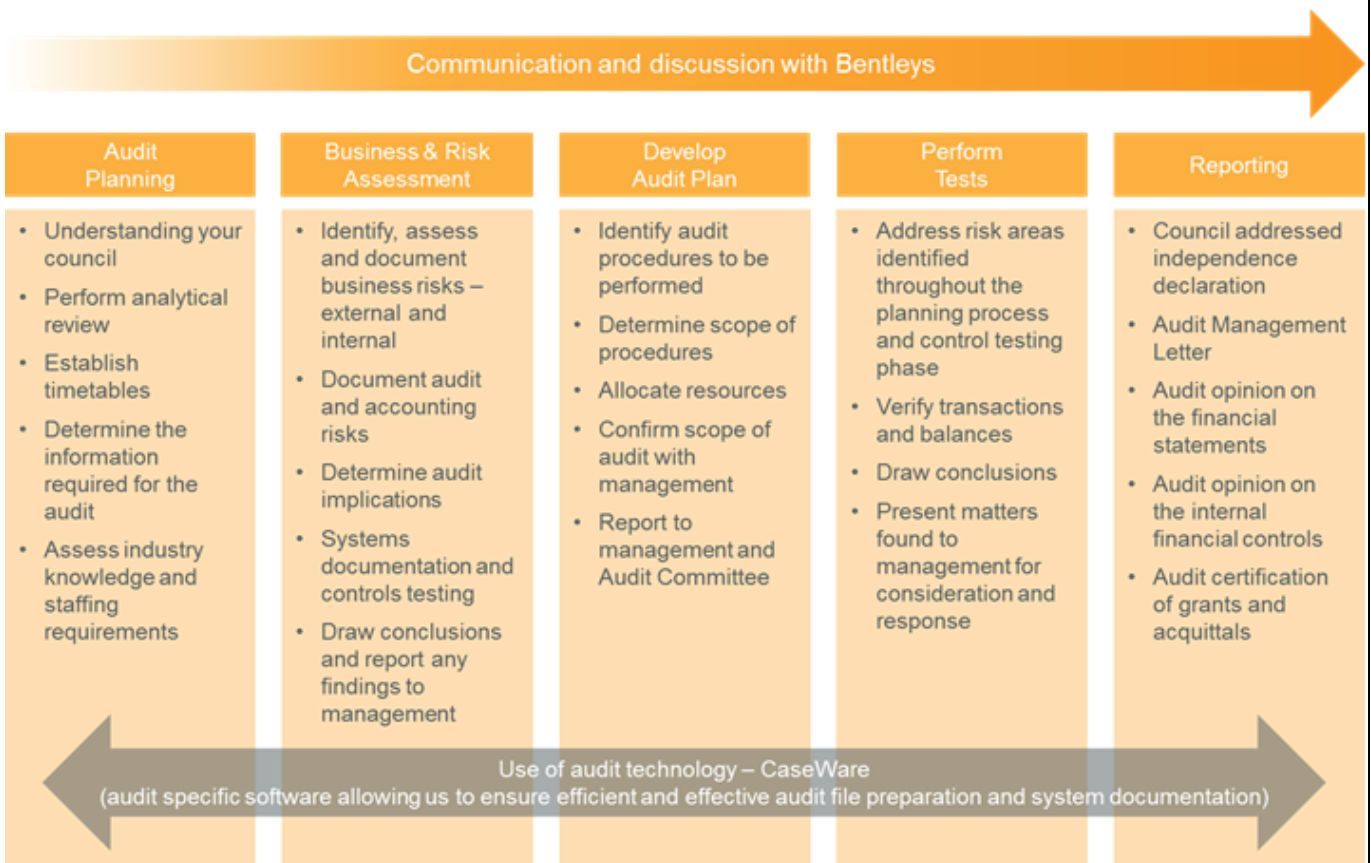
If **yes** to any of the above, provide details.

If the Tenderer’s quality system is certified by an independent 3rd party, provide a copy of the certification.

Please Provide details on your methodology, including the following:

- Proposed manner of working.

The diagram below provides a high-level overview of the Bentleys Audit Methodology.



Please see **pages 7 to 12** of the main tender document and **Appendix two** for our detailed Methodology and Approach.

- Available adequate resources (including financial, technological, physical and human resources).

Please see **Your Engagement Team** on **page 16** of the main tender document.

- Experience to perform the Contract.

Please see the section titled **Experience** on **pages 13 to 15** of the main tender document for details.

- Environmental and Social Sustainability Initiatives

Please see our response to 2.6 above.

- Local Economic Development

Please see our response to 2.7 above.

List any other specific evaluation criteria for which you want to receive information about in the tender submissions;

- Eg: Timeframes

Section 2.15 – Other Matters	Yes	No
Would the Tenderer enter into the Contract as an agent / nominee / trustee for a third party?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there a conflict of interest, or potential conflict of interest in the Tenderer being considered for, awarded or performing the Contract?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Tender for less than the whole of the Supplies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is any of the Tender commercial-in-confidence? <i>The Principal assumes that any financial history or financial projections for a Tenderer's enterprise are submitted on a commercial-in-confidence basis</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are there any comments or other matters the Tenderer wishes to submit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>If yes to any of the above, provide details</p> <p>Our Methodology and Schedule of Rates is provided commercial in confidence.</p>		

TENDER FORM SCHEDULE 3 – COMPLIANCE WITH THE CONTRACT & SPECIFICATIONS

If the Tender complies with all requirements of the Contract stated in PART 6 of the RFT, do not complete this Schedule.

If the Tenderer proposes to change *any* of the requirements of the Contract however, attach as a Schedule 3A in the form of the table below making a statement against each such requirement separately defining the extent to which the Tender does not comply with that requirement. The Tender is taken to comply with each requirement of the Contract except as may be clearly stated otherwise in that table.

STATEMENT OF NON-COMPLIANCE WITH THE CONTRACT CONDITIONS

Clause No.	Title	Does not comply (give full reasons)

If the Tender complies with all requirements of the Specifications stated in PART 7 of the RFT, do not complete this Schedule.

If the Tenderer proposes to change *any* of the requirements of the Specifications however, attach as an Schedule 3B the form of the table below making a statement against each such requirement separately defining the extent to which the Tender does not comply with that requirement. The Tender is taken to comply with each requirement of the Specifications except as may be clearly stated otherwise in that table.

STATEMENT OF NON-COMPLIANCE WITH THE SPECIFICATIONS

Clause No.	Title	Does not comply (give full reasons)

PART 6 – CONTRACT

Please see Attachment 1 – Draft Contract

PART 7 – SPECIFICATIONS

Please see Attachment 2 – Specification / Consultant Brief

Appendix two

Methodology and approach.

Methodology and the proposed approach to the scope of the audit

Based on our understanding of local government authorities and a review of the most recent financial statements, we have identified the following key areas of focus:

Income statement checklist:

Significant auditable area	Expected audit approach
Salary and wage costs	<ul style="list-style-type: none"> • Sample testing of controls and transactions. • Documentation and testing of payroll system. • Analytical review.
Other expenditure: <ul style="list-style-type: none"> • Depreciation • Loss on sale of non-current assets • Insurances • Band and doubtful debts • Other 	<ul style="list-style-type: none"> • Systems review and testing of key controls. • Understanding and testing of delegated authorities. • Testing a sample of payments to ensure appropriately approved and processed. • Analytical review.
Materials and contract expenditure	<ul style="list-style-type: none"> • Review the contracts register procedures. • Test expenditure in excess of \$100,000 for compliance with the Act and its regulations. • Review relevant legal documentation.
Rates revenue	<ul style="list-style-type: none"> • Systems review of receipting and testing of key controls. • Test sample of rate notices to ensure correct. • Test posting to general ledger. • Ensure (where applicable) late penalties imposed. • Ensure that exempt land and specified area rates have been properly approved and in accordance with the Act.
Other revenues: <ul style="list-style-type: none"> • User pays revenue • Profit on sale of non-current assets • Third party revenue collection • Other revenue 	<ul style="list-style-type: none"> • Documentation and testing of receivables system. • Analytical review of balances. • Trading activities - conduct analytical review and tests of the control environment.
Government grants and subsidies	<ul style="list-style-type: none"> • Systems review of receipting and testing of controls. • Acquit expenditure and ensure it is in accordance with the terms and conditions of the grant. • Compliance with AASB 15 and 1058



Appendix two

Methodology and approach.

Balance sheet checklist:

Significant auditable area	Expected audit approach
Cash assets: Bank and short term investments	<ul style="list-style-type: none"> Analytical review. Verify compliance with the Council's Investment policy. Review of bank reconciliations. Confirmation of balances. Review classification of restricted cash assets. Identify and test cash handling controls.
Accounts receivable (current and non-current) and repayments	<ul style="list-style-type: none"> Analytical review. Cut off testing. Confirmation of significant balances. Review collection procedures, including infringement notices.
Inventories	<ul style="list-style-type: none"> Analytical review. Documentation and testing of inventory system.
Property, plant, furniture and equipment Infrastructure Depreciation	<ul style="list-style-type: none"> Systems review and testing of key controls. Testing of significant additions and disposals. Analytical review of balances. Depreciation rates reviewed. Ensure invoices raised relating to capital expenditure are not expensed. Assess controls surrounding construction and capitalisation of infrastructure assets. Review policy on capitalising infrastructure assets. Review of valuation of land and buildings. Council approval obtained for acquisitions and disposals. Verification of the fixed assets registers and ensures that it operates in accordance with the regulations.
Creditors and accruals	<ul style="list-style-type: none"> Analytical review. Cut off testing. Search for omitted liabilities.
Provision for annual and long service leave entitlements	<ul style="list-style-type: none"> Analytical review. Testing of significant balances. Re-perform calculations where appropriate. Review of compliance with Accounting Standard
Loans and borrowings, including new loans raised	<ul style="list-style-type: none"> Third party confirmation. Verification of interest paid and accrued.
Reserve funds	<ul style="list-style-type: none"> Analytical review. Verify compliance with the Council's policy Confirmation of balances. Review classification of restricted/unrestricted accounts.
Contingent liabilities	<ul style="list-style-type: none"> Verification of amounts Search for omitted liabilities.
Capital commitments	<ul style="list-style-type: none"> Ensure policies and procedures have been followed and review for reasonableness and accuracy.



Appendix two

Methodology and approach.

Other audit checklist:

Significant auditable area	Expected audit approach
Internal business units	<ul style="list-style-type: none"> Identify the risk of misstatement likely to occur in the business units. Establish a rolling plan for testing the business units, This enables the businesses units to be covered by audit process in a efficient and effective manner.
Budgets	<ul style="list-style-type: none"> Ensure budgets are properly prepared and approved in accordance with the Local Government Act. Review actual revenue and expenditure against expected results. Review the Council's published budget to identify any areas that may be inconsistent with prior years and alert the Council to these matters.
Governance and costs	<ul style="list-style-type: none"> Develop and understanding of the organisational structure and the roles and responsibilities of key personnel. Review Council and committee minutes for significant matters.
Cash flow statements	<ul style="list-style-type: none"> Review of content and classification of the cash flow statement. performance of the cash flow calculations.
Compliance with financial management regulations	<ul style="list-style-type: none"> Ensure that the Council has completed its Statutory Compliance Return. All necessary Registers have been maintained. Confirm that disclosures in the annual budget and financial report are in accordance with Regulations. Review of Key Financial Indicators.
Compliance with Australian Accounting Standards	<ul style="list-style-type: none"> Ensure compliance with the requirements of Australian Accounting Standards.
Compliance with the Local Government Act	<ul style="list-style-type: none"> Ensure the Council has prepared documentation and provided adequate public disclosure of key information as required by the Local Government Act.
Reporting to those chartered with governance	<ul style="list-style-type: none"> At critical points in our audit we will communicate issues and findings with those charged with governance. After our interim visit and at the conclusion of the final visit a report of material matters and risks identified will be provided to those charged with governance. The report will cover: <ul style="list-style-type: none"> Material misstatements identified Any identified non-compliance with laws and regulations Identified risks that may impact on the council Recommendations and possible improvements to internal controls.



Appendix three

Curriculum vitae.

Following, please find curriculum vitae for your proposed team.

- David Papa
- David Francis
- Jayson Palomaria
- Carlo Tabadero
- Adrian Forte





David Papa

Partner, Risk & Assurance Services

David is an active member and thought leader in the external and internal audit community. David's specialisations include government agencies and councils, and health and aged care organisations. He has a deep understanding of their risk and assurance needs.

David works with a diverse range of organisations to support their strategic growth and to foster enterprise sustainability.

With expertise in implementing internal and external audits, David has a detailed knowledge of government agencies and councils, and their risk and assurance needs. David's specialisations include financial and compliance audits, systems reviews, management accounting, fraud investigation, system improvement and financial modelling.

David Papa is an active member of the Internal Audit community. Over the past two years, David has held the position of Chair of the local chapter of the Institute of Internal Auditors (IIA). David is a regular attendee of the National SOPAC conference (the IIA's premier training conference) and is an advocate for improving training and professional development in the risk and internal audit space. David is also an active member of SALGAG regularly working with the SALGFMG in helping councils through their reporting needs.

Services

Internal and external audit

Business advisory

Compliance audits

Financial modelling

Industries

Public sector

Not for profit

Private sector

Health and aged care

Qualifications

Bachelor of Commerce (Accounting)

Chartered Accountant

Certified Internal Auditor

Professional Memberships

Chartered Accountants Australia and New Zealand

Institute of Internal Auditors

Registered Company Auditor No 405791



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David Francis

Partner, Audit & Assurance

David supports public sector, private and not-for-profit organisations in a broad range of industries to facilitate compliance, risk management and strategic development.

David leads a high performing and expanding audit and assurance team to facilitate the compliance and growth of a broad range of enterprises.

As a member of the Bentleys SA/NT Executive team and chair of Bentleys' National Audit Group, David is instrumental in designing strategies and services that respond to the changing needs of enterprises across the country.

David's expertise includes financial audits and reviews, fraud investigation and forensic audits, special projects for federal and state government, risk management analysis, corporate governance advice, due diligence, statutory compliance and trust account audits.

David joined Bentleys SA/NT in 1994 after working with a Big Four firm. In 1997, David worked from London with a Bentleys affiliated firm.

As an active member of our local community, David holds a number of board and committee positions.

Services

External and internal audit

Business advisory

Corporate governance

Special projects

Industries

Public sector

Not for profit

Private sector

Qualifications

Bachelor of Accountancy

Chartered Accountant

Professional Memberships

Chartered Accountants Australia and New Zealand

Registered Company Auditor
RCA No 210737



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 Advisors
  Accountants
  Auditors



Jayson Palomaria

Client Manager, Audit & Assurance Services

As a highly experienced and certified professional, Jayson brings a depth of knowledge to every engagement and transfers a deep understanding to his clients, leaving them with peace of mind.

With over 15 years worth of experience, Jayson has gained a wealth of knowledge across a range of industry sectors including health and aged care, construction, manufacturing, professional and technical services, and education in Australia and overseas. Jayson has led many Audit and Assurance teams to ensure compliance throughout a broad range of engagements and enterprises.

As a Certified Fraud Examiner, Jayson has extensive knowledge in this area and a unique skillset combining financial transactions knowledge with methods, law and resolution. Jayson values thought-leadership and contributing to the ever-changing reporting governance across industry sectors.

Jayson's approach to his work is highly detailed and results orientated. He is passionate about educating clients as he works, ensuring they have a full understanding of their financial reporting responsibilities and obligations.

Services

Risk & Assurance

External and Internal Audit

Compliance Audit

Financial Accounting & Governance

Financial Due Diligence

Industries

Health & Aged Care Services

Education

Professional & Technical Services

Government

Private & Not for profit

Qualifications

Bachelor of Science in Accountancy

Certified Practising Accountant (CPA)

Certified Fraud Examiner (CFE)

Certified Internal Auditor (CIA)

Professional Memberships

Governance Institute Australia

Association of Certified Fraud Examiners Global

Institute of Internal Auditors Australia

Certified Practising Accountants Australia



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Carlo Tabadero

Analyst, Audit & Assurance Services

A highly skilled finance professional and analyst with international, fast paced experience, bringing an exceptional level of quality to all his work.

Having worked with some of the largest global corporations, Carlo delivers confidence to every client that quality engagements will be achieved with efficiency.

Carlo has supported companies across numerous sectors including government, financial services, insurance, recruitment, construction, utility and infrastructure, retail and manufacturing, hospitality, property investment, and international trade.

Experienced across a diverse range of financial auditing services, Carlo has a wealth of knowledge that he brings to every engagement. He is also expressive about contributing to improved audit quality as new regulations are imposed and values comprehensive quality assurance processes.

Carlo's thorough work approach ensures he obtains sufficient information, addresses objectives and takes action in accordance with legislation and governance. He applies project management practices to deliver from scope to full-service deliverables for each engagement parallel to client expectations.

Carlo is passionate about educating clients on the importance of information provision in relation to auditing processes and outcomes. He believes, mutual understanding of a client's business and systems is important to identifying issues and developing a complete-solution plan.

Services

Internal and external audit

Financial modelling

Compliance audits

Sectors

Public Sector

Government

Private Sector

Qualifications

Bachelor of Science in Accountancy

Certified Public Accountant (CPA)



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Adrian Forte

Auditor, Audit & Assurance

Adrian's diverse experience spans private and public sectors, not-for-profit and local government entities.

Adrian has experience in provision of audit and assurance services to a range of clients including external audit, internal control reviews, trust account audits and financial reporting.

Adrian has worked on a diverse set of clients including local government entities, not-for-profit entities, aged care, charities, sporting groups and construction companies.

He values strong client relationships and ensuring he approaches each engagement knowing and understanding the organisation and its underlying risks.

Services

External and internal audit

Business process analysis

Compliance audit

Trust account audit

Financial accounting

Industries

Private sector

Public sector

Not-for-profit

Local government

Qualifications

Bachelor of Commerce
(Accounting)



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Attachment 1c



External Audit Tender Response

Request for Tender No. 2020 C23

External Auditor 2021 – 2025

May 2020

PRIVATE & CONFIDENTIAL



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Dean Newbery & Partners
Chartered Accountants
214 Melbourne Street North Adelaide SA 5006

Executive Summary

Dean Newbery & Partners (DNP) – Who We are

DNP is privately owned and client focused professional services firm with a strong history of working with regional South Australian clients operating within Local Government, agribusiness, commerce, health services and other not for profit organisations. Our offices are located in North Adelaide and Balaklava.

DNP offers access to a highly experienced, diverse team of dedicated professionals who are passionate about delivering high quality, value added services to our clients.

Our emphasis is on stringent compliance with professional standards and audit quality, which enable us to achieve constructive management reports and recommendations to Elected Members, Audit Committee members and the Council Administration. Our reports aim to meet compliance requirements whilst empowering users with the information necessary to navigate the Council through often complex matters.

DNP Point of Different

We have built a great deal of knowledge and experience given our long standing involvement with the South Australian Local Government sector. We have the proven ability to deliver a high quality, value added audit service. Our services aim to further assist with the development the internal controls, financial management frameworks, asset management and improved operational efficiencies where identified and/or possible.

The wide range of services we offer in both our audit and advisory services means we are strong in our understanding of the legislative and regulatory environment.

Our audit team assembled is backed by fresh thinking and detailed research into industry matters that are specific to Local Government in South Australia.

Our guarantee to the Council is that we will always have staff on the engagement that have the appropriate level of experience and knowledge of Local Government that enables our work to be tailored specific to your unique operating environment and regulatory framework.

Our Local Government Experience

Details of our Current Engagements

DNP has been providing Local Government audit and advisory services to the sector for over 40 years. We are proud of our long standing and continual involvement with the sector.

Given the length of time we have been involved with the South Australian Local Government sector, we are well placed with a high knowledge of the current, and historic, financial reporting frameworks, legislative and regulatory history as well as general industry knowledge which is an important factor in developing a robust and effective Audit Plan specific to each Council.

To demonstrate our experience, we are the external auditors of the following Local Government Councils:

- Alexandrina Council
- Berri Barmera Council
- City of Burnside
- City of Mitcham
- City of Port Lincoln
- Copper Coast Council
- District Council of Ceduna
- District Council of Cleve
- District Council of Elliston
- District Council of Franklin Harbour
- District Council of Grant
- District Council of Kimba
- District Council of Lower Eyre Peninsula
- District Council of Loxton Waikerie
- District Council of Streaky Bay
- District Council of Tumby Bay
- Mount Barker District Council
- Naracoorte Lucindale Council
- Renmark Paringa Council
- Southern Mallee District Council
- Wakefield Regional Council
- Wattle Range Council
- Yorke Peninsula Council

In addition to the noted Council audits, we also undertake the external audit of the following Council Subsidiary entities:

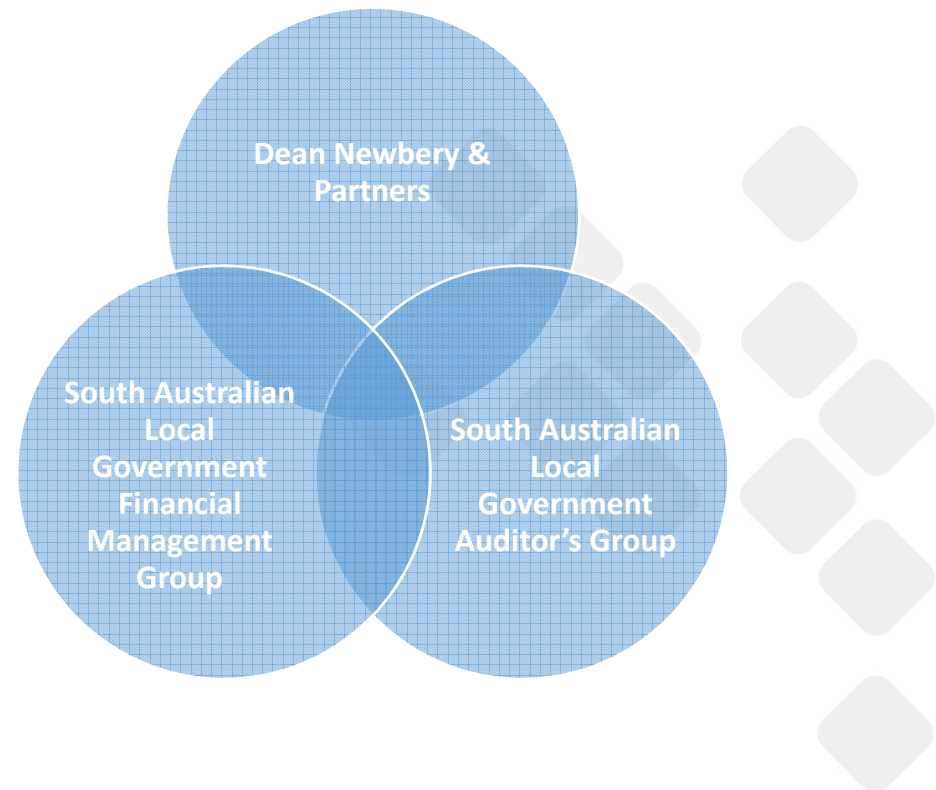
- Adelaide Hills Regional Waste Management Authority
- Centennial Park Cemetery Authority
- ERA Water
- Fleurieu Region Aquatic Centre Authority
- Gawler River Flood Management Authority
- Highbury Landfill Authority
- LEGATUS Group

Our Local Government Experience

DNP also provide ongoing accounting support and consulting services to the following Local Government entities:

- Adelaide City Council
- City of Port Adelaide Enfield
- Eastern Waste Management Authority
- Northern Adelaide Waste Management Authority
- Southern Region Waste Resource Authority
- Southern Recycling Centre
- Whyalla City Council

DNP is also strongly involved in the South Australian Local Government sector given it is a sponsor of the South Australian Local Government Financial Management Group (SALGFMG) and is also an active member of the South Australian Local Government Auditor’s Group (SALGAG).



Our Local Government Experience

Other Engagements Undertaken by DNP

Our experience and services offered is not just limited to external audit and we pride ourselves on our ability to draw our experience from all engagements we undertake to provide specialist advice and services when needed to our clients.

Examples of other services we offer to our non-audit clients in Local Government include:

- Section 48 Prudential Reviews
- Accounting support services (i.e. preparation of statutory financial reports and management schedules)
- Internal control reviews
- Probity advice and support
- Financial policy development and review
- Independent review of strategic plans (i.e. Long Term Financial Plans, Infrastructure & Asset Management Plans, Annual Business Plans and Budget, etc.)
- Fringe Benefits Tax (FBT) compliance and advice
- Training services
- Accounting standard advice and implementation guidance/support
- Project Business Case Reviews

Given that our expertise goes beyond Local Government, our team are able to offer a wide variety of services to non-audit clients that ensures we can draw on the experience in other fields we work in to provide appropriate advice and recommendations to our clients.

Our Aged Care Sector Experience

Work undertaken in the Aged Care Sector

In addition to the work we do within Local Government, Aged Care is another sector we are proud of our long-standing involvement working with the South Australian Aged Care sector. Our experience working with a range of different organisations within the sector gives us a strong appreciation of the specific challenges and issues that face the sector.

To demonstrate our experience, we are currently the external auditors of the following aged care providers:

- Clayton Church Homes Inc
- Greek Orthodox Community Of South Australia Incorporated T/A Ridleyton Greek Home for the Aged
- Balaklava Mill Court Homes Inc
- Gilbert Valley Senior Citizen's Homes (Riverton) Inc

DNP has also previously been the external auditor of the following aged care providers:

- Eldercare Inc
- Fullarton Lutheran Homes Inc
- Italian Benevolent Foundation (SA) Incorporated T/A Bene Italian Village

Samantha Creten is also the Public Officer for Leahurst Home for Aged Trained Nurses Inc and is acutely aware of the key considerations relating to compliance, regulatory reporting requirements and key matters faced within the sector by aged care providers.

Given our experience, we already have the experience and knowledge to ensure that the Audit Plan for the Council factors in the requirements of auditing Alwyndor Aged Care operations to high standard.

Audit Methodology

Our Audit Approach

DNP has a strong appreciation of the required audit services to be provided, given the number of engagements we currently undertake within the sector.

DNP has developed specific audit programs tailored for the Local Government sector that ensures all audit matters required to be included in the scope of audit services under the Local Government Act 1999 and applicable Regulations are encompassed in the work undertaken.

Our audits ensure compliance with the following requirements:

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Australian Auditing Standards (including Guidance Statements)

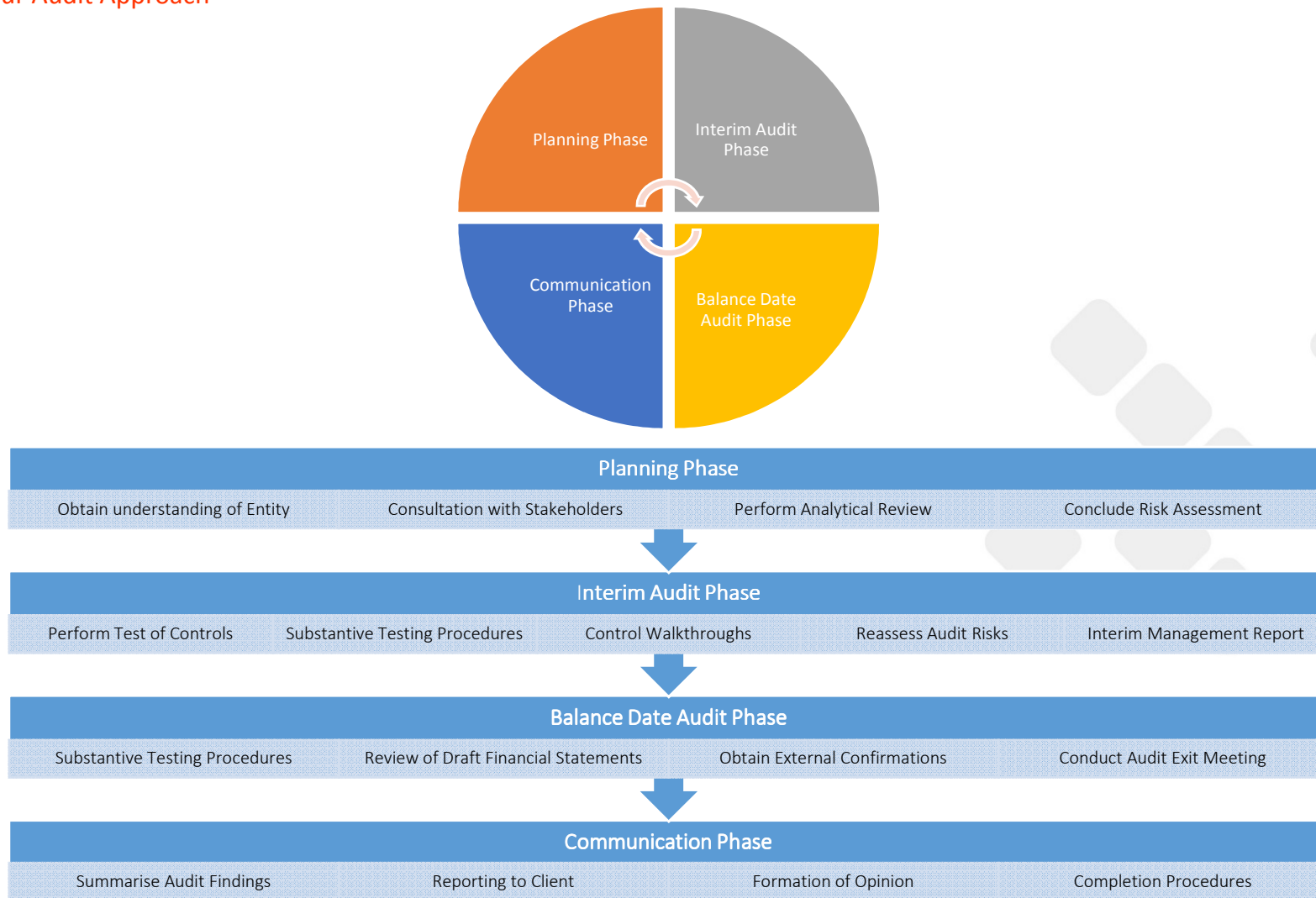
In ensuring that we comply with the above requirements, our audits take into consideration the South Australian Local Government Model Financial Statements and Better Practice Model when designing audit procedures and reports for our clients.

The DNP audit approach is risk based and complies with all applicable Australian Auditing Standards and requirements under the Act and other applicable Regulations and professional requirements of the Accounting industry.

Our approach is uniquely designed for the Local Government sector which ensures a high level of Partner oversight and direct involvement in all phases of the Audit Plan.

Audit Methodology

Outline of Our Audit Approach



Audit Methodology

Our Audit Approach

The above approach assists with identifying and mitigating any audit matters in an efficient and constructive manner by engaging with both the Audit Committee and Administration on a continual basis.

The above proposed Audit Plan and approach places a high emphasis to at all times consider matters outside of the 'Balance Sheet' audit approach – we place a high emphasis on continually monitoring and reviewing the governance practices and internal controls of the Council to ensure that at all times, a high standard is maintained as required of a public entity.

Key Areas of Continual Audit Focus

Audit Matter	Matter Under Review
Delegation of Authority	Review controls and processes relating to amending changes in authority levels for procurement and EFT payment releases.
ICT Controls	Review controls surrounding system access changes, changes in permission levels, disaster recovery and back-up procedures, data security and remote access.
Statutory Reporting	Review conformance with statutory reporting obligations – i.e. Long Term Financial Plan, Annual Business Plan and budget revisions, Annual Report, public registers, etc.
Financial Policies	Key policies and registers are maintained.
General Ledger Control Account Reconciliations	Regular reconciliation of general ledger control accounts are undertaken and independently reviewed.
Internal Control Review	Regular review of financial internal controls are conducted by the Council and all findings and recommendations are reported to the Audit Committee for their consideration and review.

Audit Methodology

Audit Technology Strategy

Our approach is unique in that we have hands-on knowledge obtained from over 40 years of working with the Local Government sector. Our audit software is tailored to enable our audit teams to undertake our audits with a high level of efficiency.

DNP audit teams use CaseWare audit working papers to assist with the management and analysis of audit working papers. Our audits therefore are undertaken in accordance at all times with Australian Auditing Standards whilst also ensuring audits can be undertaken with a high degree of efficiency.

We have developed specific Local Government audit testing worksheets which we have integrated into our working papers that ensures our audit procedures are specific for Local Government (e.g. Council Rates worksheet, asset valuation testing and analytical review worksheet, etc.).

Remote Access

Our systems enable us to undertake work continuously throughout the financial year.

Given the current COVID-19 situation, DNP is fully resourced and able to undertake a considerable amount of work remotely given the current office infrastructure set-up and IT resources at our disposal.

DNP uses electronic working papers for all audit engagements as well as has web and audio conferencing capabilities which enables us to undertake our work remotely.

Depending on the length of time current government imposed restrictions continue, DNP is fully resourced and capable to undertake the external audit of the Council remotely.

Our Audit Plan is able to be amended accordingly to take into account any changes in circumstances to enable us to undertake the work necessary to execute the audit program.

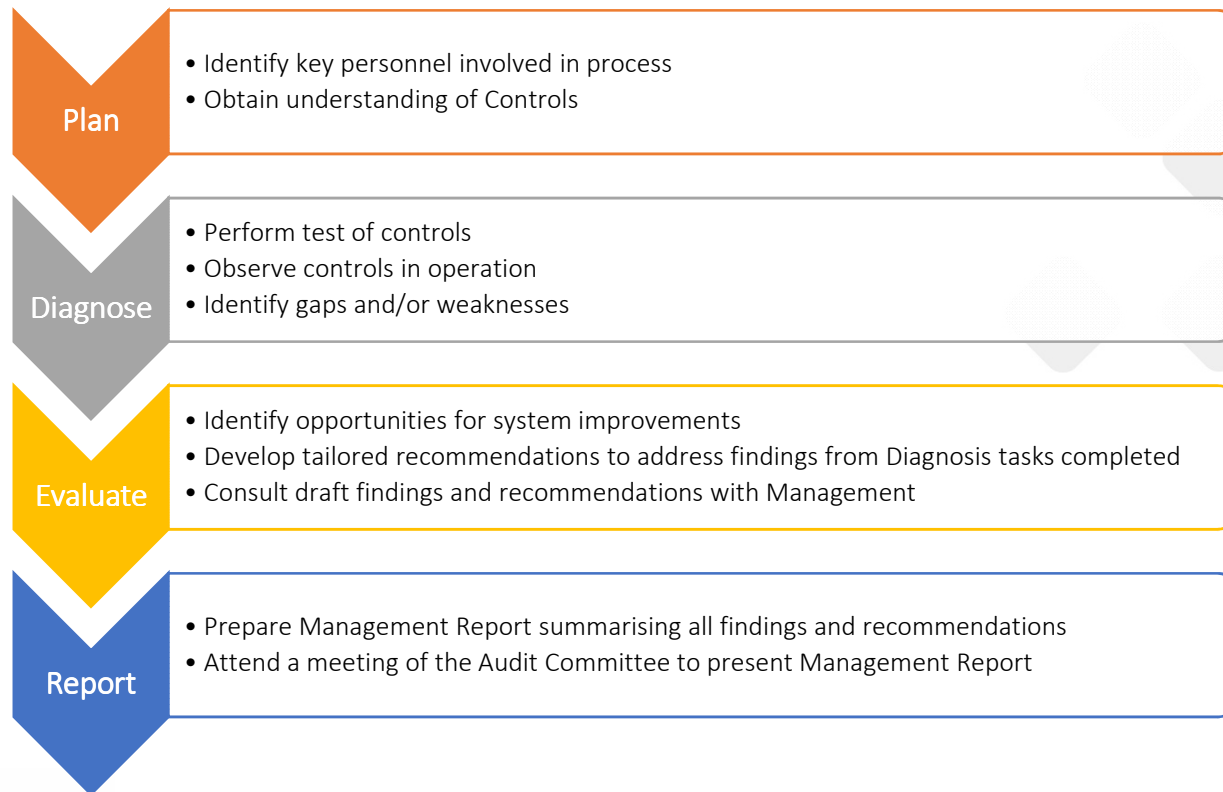
Importantly, continual communication over changes to the Audit Plan with the Administration and Audit Committee is a high priority and key focus within the communication strategy within the Audit Plan.

Audit Methodology

Conducting the Audit

After the completion of the Planning Phase of our audit, our area of focus then turns to the Interim and Balance Date audit phases of the cycle where we begin to undertake the field work component of our audit program. During these phases, substantive testing, analytical reviews and test of controls are undertaken. Based on our assessed areas of risk of material misstatement, we design our audit procedures accordingly to enable us to test the design and effectiveness of those internal controls operating in the areas of risk identified for testing.

Proposed Audit Methodology – Internal Control Review

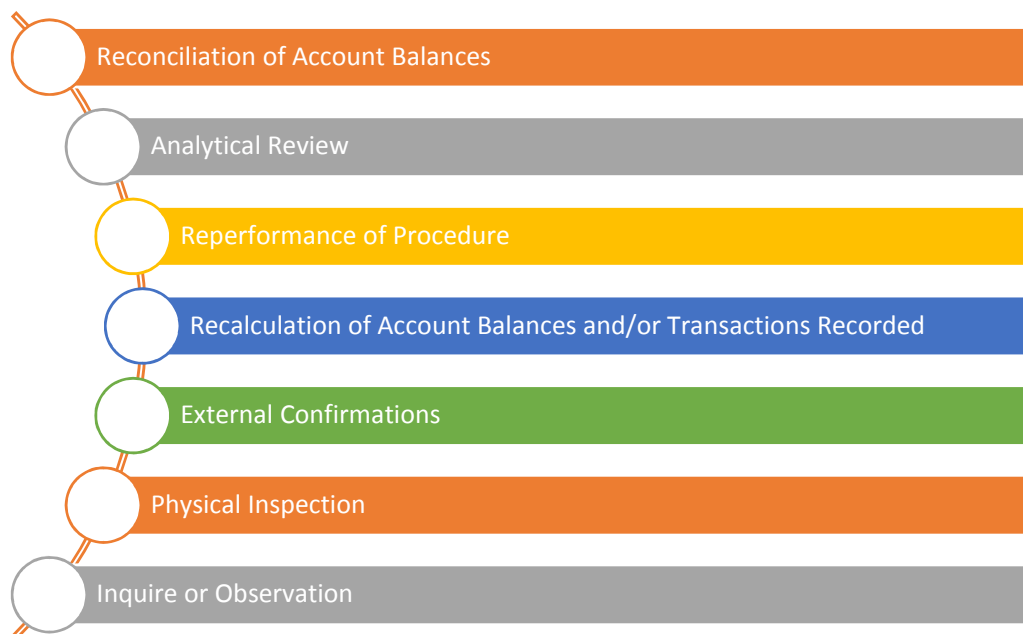


Audit Methodology

Proposed Audit Methodology – Substantive Procedures

Based on the results of our risk analysis, we design our audit procedures accordingly to gain appropriate evidence to substantiate balances and disclosures in the financial statements of Council.

Substantive testing procedures include the following:



Substantive procedures are designed specifically to substantiate account balances and disclosures in the financial statements.

Example of activities that are undertaken during this phase are the following:

- Conduct site visits at Council depots, libraries, community centres, waste processing/transfer stations.
- Obtain audited financial statements for all Subsidiary entities to substantiate equity accounted subsidiary entries and disclosures.
- Obtain bank confirmation reports to confirm existence and value of bank accounts and loan facilities held at reporting date.
- Recalculation of annual rates generation.
- Analytical review of asset depreciation and valuation movements.
- Obtain certification of asset valuations from external valuers to support valuations movements recorded.
- Physical inspection of asset purchases/capital works.

Audit Methodology

Completion and Reporting

At DNP we place a high emphasis on having a timely and effective communication strategy that aims to ensure the client is always aware of any important audit matters as they arise.

All key audit findings and recommendations are communicated with the Administration and Audit Committee on a timely basis after the completion of each audit attendance. We seek client feedback on matters raised to ensure any matters which require further consideration and consultation are appropriately undertaken.

Our commitment throughout the term of the audit engagement is to undertake the following:

- Provide the Council, Audit Committee and Administration an outline of our audit approach including a proposed timetable and summary of key areas being tested/reviewed in accordance with the developed Audit Plan.
- Engage with the Administration prior to the audit attendance to plan the audit field work to be undertaken with key staff.
- Meet with the Administration and Audit Committee (should it be requested in addition to the proposed attendance at an annual meeting) regularly to discuss the progress of the work being undertaken.
- Conduct 'Audit Exit Meetings' on site with all relevant staff at the conclusion of the audit attendance to discuss draft findings and status of work completed.
- Provide the Council with all signed statements and reports as required by the Act.

Management Letters

Our Management Letters are issued at the conclusion of each audit attendance and we will ensure to provide comments and findings as a result of testing completed on key matters reviewed. Our approach is for our Management Letters to provide only constructive feedback to any audit findings that will provide value-added benefit to the operations of the Council.

Audit Methodology

At the conclusion of the Balance Date audit phase, we prepare our management letters and draft audit reports with our draft audit opinion to be discussed and communicated with the Audit Committee and Administration.

DNP issue an Audit Completion Report document which includes the following:

- Summary of the conduct of the audit
- Confirmation of any remaining outstanding items
- Summary of uncorrected misstatements
- Confirmation of auditor independence compliance per the requirements of the Local Government Act 1999
- Summary of results from testing completed and outstanding matters for the Council to consider
- Draft Audit Opinion – Financial Statements Audit Opinion
- Draft Audit Opinion – Internal Controls Audit Opinion

Final Issued Audit Reports

Once all outstanding matters have been addressed and we receive all signed financial statements and Management Representation Letter, we will issue the following final audit reports to conclude the financial year's engagement:

- Financial Statements Audit Opinion
- Internal Controls Audit Opinion
- Roads to Recovery Acquittal Statement
- Other acquittals as required



Audit Transition Plan

Proposed Transition Plan

Based on our experience with other similar engagements, we have identified the following activities need to be undertaken to transition a new audit team:

Our aim is to ensure the transition is of minimal disruption to the Administration.

Key tasks to be undertaken as part of the proposed transition plan are as follows:

- Obtain ethical clearance from previous external auditor in accordance with the requirements under Australian Auditing Standards.
- Provide an Engagement Letter to the Council confirming the terms and scope of the audit engagement.
- Undertake preliminary interviews with key personnel, including the Chair of the Audit Committee, to provide input into the development of the Audit Plan.
- Provide the Administration a Risk Questionnaire document to provide responses to specific internal control and risk queries raised as part of the audit.
- Obtain copies of previous auditor's external management reports issued to identify any previous audit matters raised and gain an understanding whether any issues remain unresolved that need to be factored in the Council's Audit Plan.
- Review prior financial year working papers to substantiate opening balances in the Council's Balance Sheet for the financial year (including for the carrying forward budget items).

Critical Matters to be Audited

In addressing the matters noted within Section 5 of the Specification document provided, we have provided below details of the extent to which matters outlined in the Specification will be examined in the course of auditing the operations of Council and Alwyndor Aged Care.

Audit Matter	Critical Matters	Work to be Undertaken by DNP
Governance & Control	<ul style="list-style-type: none"> • Roles and Responsibilities • Delegated Authorities • Council/Committee Minutes and Directions • Strategy/Business/Risk Planning • Budget Management & Project Accounting • Internal Controls including ICT Security 	<p>In performing work to address critical matters noted, DNP will undertake audit procedures that will test the effectiveness of controls and processes relevant to the areas reviewed. In particular, considering key matters as follows when formulating our audit opinion:</p> <ul style="list-style-type: none"> • Organisation structure • Policies and procedures adopted by the Council • Governance standards and practices • Adopted communication strategy • Adequacy of records management systems • Level of reliance on external consultants / advisors <p>Audit tasks that will be undertaken to address the above considerations are:</p> <ul style="list-style-type: none"> • Enquiry of Management and those charged with governance (including meeting with the Chair of the Audit Committee at the commencement of the engagement and annually with the Audit Committee) • Obtaining and reviewing key documents and reports relevant to listed Critical Matters • Physical observation and testing of controls (in particular, those relating to ICT security and system access)
Income	<ul style="list-style-type: none"> • Rates revenue • Government grants • User pays revenue • Profit on sale of non-current assets • Other income 	<p>The Audit Plan will identify the specific risks relevant to the audit that require audit testing to be undertaken. Our audit focus will be targeted to the assessed highest risk and material items which generally resides with Rates Revenue, Grant income and aged care service related income. In particular, the correct classification of grant income recognised between operating and non-operating income recognition under the Model Financial Statements framework requirements.</p> <p>Specific audit testing to be undertaken includes the following (but not limited to):</p> <ul style="list-style-type: none"> • Recalculation of income generated/recorded • Appropriate classification and disclosure of income • Substantive testing of transactions recorded back to source documents • Adherence to Council adopted policies and procedures (i.e. bad debt write-off)

Critical Matters to be Audited

Audit Matter	Critical Matters	Work to be Undertaken by DNP
Expenses	<ul style="list-style-type: none"> • Salary and wage costs • Depreciation • Materials and contract expenditure • Loss on sale of revaluation of non-current assets • Insurances • Bad debts • Other Expenses 	<p>The Audit Plan will identify the specific risks relevant to the audit that require audit testing to be undertaken. Our audit focus will be targeted to the assessed highest risk and material items as well as review the effectiveness of controls operating that relate to the following key control activities:</p> <ul style="list-style-type: none"> • Accurate calculation and appropriate recording of expenditure (including for payroll, depreciation and other supplier payments) • Adherence to adopted Procurement Policies and Procedures • Appropriate approval for payments and/or transactions recorded by an Officer with sufficient delegated authority • Salaries and wages are evidenced by appropriate supporting payroll documentation • Obtaining certificate of currencies for insurance policies held evidencing appropriate insurance held • Allowances and reimbursements paid to Elected Members and Management are in accordance with adopted policies and procedures of the Council • Depreciation expense is calculated in accordance with adopted asset accounting service standards and consistent with adopted assumptions included within asset valuations for each respective asset class.
Current Assets	<ul style="list-style-type: none"> • Cash at bank and short-term investments • Receivables and prepayments • Inventory 	<p>Audit testing is designed to test controls surrounding the recording, reporting and safeguards around cash managed by the Council. In this regard, we also consider controls over physical cash handling relating to customer service staff cash floats, petty cash, external receipting sites, resident trust account monies held, etc.</p> <p>We also attend external sites (such as Council Depot) to physically observe controls implemented to safeguard inventory held.</p> <p>Our processes aim to enable us determine whether there are effective controls in operation to safeguard cash (including monies held in investment) and inventory.</p> <p>In addition to the test of control, substantive testing and analytical reviews are undertaken over all current asset critical matters noted as part of testing conducted. This is also undertaken where possible concurrently with Income testing procedures deployed.</p>

Critical Matters to be Audited

Audit Matter	Critical Matters	Work to be Undertaken by DNP
Non-Current Assets	<ul style="list-style-type: none"> • Property, plant, furniture and equipment, including valuations and capital works • Infrastructure and accumulated depreciation thereon • Other receivables 	<p>As is common with all Local Government council audit engagements, a significant portion of audit resources and time is allocated to this matter given the high value and material nature of the matters under review. Audit procedures are designed to critically assess the assumptions and estimates included in asset valuations recorded given they form the basis for recorded asset valuations on the Balance Sheet and calculated depreciation expense in the Statement of Comprehensive Income.</p> <p>Areas of key review within this area include:</p> <ul style="list-style-type: none"> • Appropriate recognition of assets (or the risk of not being recorded at all) • Expenditure recorded in Work in Progress and/or capitalised asset is of capital nature and not operating expense (this includes for internally capitalised costs recorded) • Asset disposals are appropriately recorded and disclosed in accordance with applicable accounting standards • Asset depreciation is calculated based on reasonable assumptions that are consistent with adopted policies of Council • Asset registers for each asset class reconcile to the General Ledger • Asset impairment testing (including for loans to external community groups and other infrastructure and property, plant and equipment assets held) <p>In undertaking the work noted above, we make enquiries of Management as well as external consultants engaged to test the appropriateness of transactions recorded and disclosures made in the annual financial statement.</p>
Liabilities	<ul style="list-style-type: none"> • Creditors and accruals • Loan borrowings • Provisions for employee entitlements 	<p>Our audit testing into critical matters is undertaken in conjunction (where possible) with Expense testing conducted to ensure that controls over the incurring of liabilities and payment of expenses are considered as part of Council’s internal business processes. In reviewing of payables, loans and provisions, we look at key factors such as:</p> <ul style="list-style-type: none"> • Comparison of amounts recorded against external confirmations obtained (i.e. bank confirmation reports for loans held) • Review transactions recorded relating to aged care facility liabilities back to source documents • Review of ageing of outstanding amounts recorded • Recognition criteria applied to any grants/payments received ‘in advance’ that have been treated as a liability given performance obligations have not been satisfied per agreements held • Employee entitlements reconcile to appropriate leave records held and assumptions applied to on-costs recorded and discount rates applied are deemed reasonable

Critical Matters to be Audited

Audit Matter	Critical Matters	Work to be Undertaken by DNP
Other	<ul style="list-style-type: none"> • Statement of changes in equity • Disclosure of contingent liabilities / capital commitments • Accounting policies and notes to the financial statements • Cash flow statement • Financial indicators as set out in the Model Financial Statements 	<p>Risks identified within the critical matters noted in this area relate to incorrect calculations of transactions, the omission of required disclosures, incorrect classification of transactions and failure to meet financial reporting requirements set out under the Model Financial Statements.</p> <p>In addressing the risks identified, the following audit procedures are undertaken:</p> <ul style="list-style-type: none"> • Critical review of financial statements by experienced engagement team member • Obtain external confirmations and reports as necessary (i.e. solicitor’s representation letters, Key Management Personnel declarations, audited financial statements of Subsidiary entities, etc.) and review the adequacy and completeness of disclosures included • Recalculation of transactions to ensure they have been correctly recorded in various statements included in the financial statements from an accrual and cash flow perspective • Recalculation of asset valuation data and analysis of external valuer reports provided to ensure accuracy and completeness in disclosures included.

Audit Timetable

Proposed Annual Audit Timetable

We have formulated a proposed audit timetable which is based on timetables we currently follow for similar engagements undertaken.

The proposed timing of audit site attendances is only draft at this stage and subject to consultation and confirmation with Council's Administration to ensure that relevant staff will be available as needed and that information will be available as required.

We aim to ensure that our interim audit component enables us to undertake a significant amount of substantive testing remotely and review of internal controls and in doing so, we aim to tailor the timing of the visit to ensure we can accomplish that.

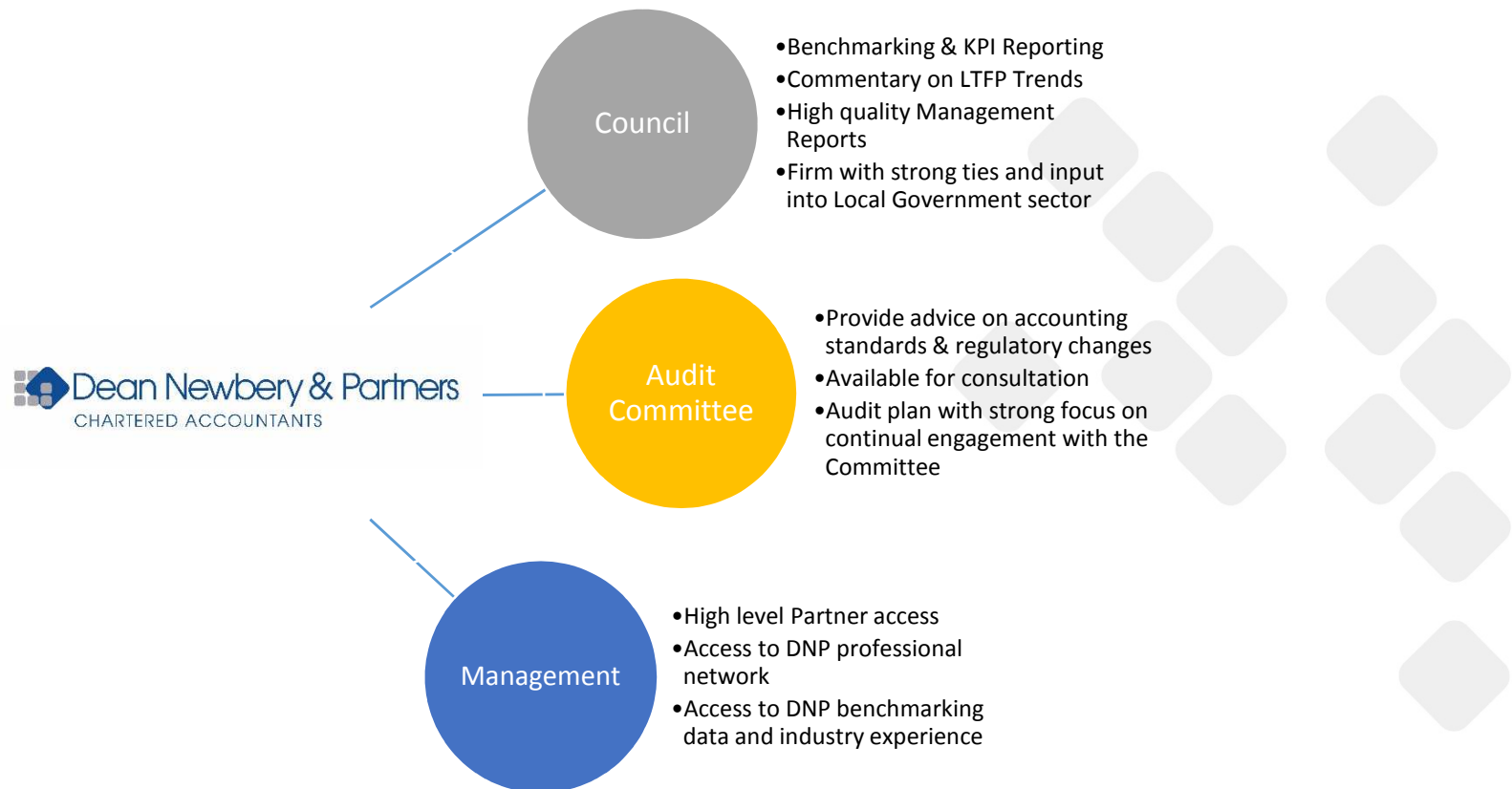
Audit Stage	Proposed Timing of Work
Audit Planning & formulation of Audit Plan	January
Audit Planning – Meet with Administration and Chair of Audit Committee to finalise Audit Plan and Timetable	February
Provide Council and Audit Committee with a copy of the proposed Audit Plan	February
Issue Risk Questionnaires to the Administration	March
Interim Audit Attendance	April
Issue Interim Audit Management Letter	May
Balance Date External Confirmations Issued	June
Balance Date Audit Attendance	August / September
Issue Balance Date Completion Report and Draft Audit Report	October
Meet with Council's Audit Committee	October
Issuing Final Audit Report	October

Our Value Add

Where we believe we can add value to your Council

Given our existing audit experience in the region together with our other Local Government audit and advisory services experience, we are well placed to assist our clients in providing high value, constructive commentary and assistance on financial management and general industry matters.

Examples of areas we are able to offer a high, value-added service are in the following areas:



Proposed Audit Engagement Team

Samantha Creten – Lead Audit Partner

Samantha has over twenty five years' statutory audit and commercial taxation experience. Samantha has been a Partner of DNP since 2002 and has an extensive knowledge of technical Accounting Standards issues and performing audits in full compliance with the requirements under the *Corporations Act 2001* and Australian Auditing Standards.

Samantha has broad experience in servicing clients both in audit and taxation services across a wide range of industries which span across local government, aged care, automotive, importers and exporters, civil construction and not-for-profit entities.

Given Samantha's role as the Public Officer for Leahurst Home for Aged Trained Nurses, she has a strong appreciation of issues specifically facing the Aged Care sector which would be taken into consideration when formulating the Audit Plan.

Samantha has a keen interest in Council's budget management and financial reporting framework compliance as well as infrastructure and property asset management practices. She has commonly been engaged by Council Audit Committees and Management to provide advice and guidance in these areas.

Samantha experience as Lead Auditor of other metropolitan Councils such as the City of Burnside, Mitcham, Onkaparinga, Unley and Salisbury ensures she has the relevant experience and appreciation of the quality and work required to be undertaken.

Qualifications & Memberships:

- Bachelor of Accountancy (University South Australia)
- Fellow Chartered Accountant (FCA)
- ASIC Registered Company Auditor (Auditor Registration Number 222601)
- Registered Auditor with the South Australian Law Society
- Member of South Australian Local Government Auditors Group
- Registered Tax Agent
- Board Member/Secretary/Public Officer of Leahurst Home for Aged Trained Nurses
- Committee Member Chartered Accountants Diversity Inclusion Committee

Proposed Audit Engagement Team

John Jovicevic – Field Audit Partner

John is a Local Government Audit Partner and his role on the engagement team is to oversee the audit field work component. John has been at DNP for over 15 years and has extensive experience undertaking the external audit of South Australian Local Government.

He has a particular interest and focus in Council asset management practices and overseeing the correct application of the Australian accounting standards to valuations and asset management transactions. John's experience goes beyond his audit skills and provides a wide variety of advisory services to his Local Government clients in the areas of accounting support, Section 48 Prudential Reviews, governance and probity reviews, internal audit and general consulting services.

John's Local Government experience spans across a number of different clients including City of Burnside, City of Onkaparinga, City of Mitcham, City of Norwood, Payneham & St Peters, Yorke Peninsula Council, Port Pirie Regional Council, Town of Gawler, City of Port Lincoln and Copper Coast Council.

His philosophy is to be highly consultative with clients and ensure that the communication strategy set within the audit plan is strictly adhered to and that at all times, the Council has an available resource to attend to any queries if/when they arise on a timely basis.

Qualifications & Memberships:

- Chartered Accountant
- Certified Practising Accountant
- Bachelor of Commerce (Adelaide University)
- Member Australian Institute of Company Directors (MAICD)
- Member South Australian Local Government Financial Management Group
- Member South Australian Local Government Auditors Group
- Board Member Diabetes SA
- Treasurer & Public Officer Diabetes SA
- Management Committee Member Prince Alfred Old Collegians' Association
- Member Prince Alfred College Advisory Committee

Proposed Audit Engagement Team

Whitney Sandow – Senior Audit Officer

Whitney has audit experience in the areas of Local Government, ACNC, aged care, not for-profit and private entities. She is well versed in Local Government audit programs used by DNP which ensures that audits are performed at a consistent high standard. Whitney has been involved in the audit of council's internal controls as required by the Local Government Act 1999.

In particular, Whitney has strong knowledge of Council Rating systems and compliance obligations which she applies to the internal control review and substantive audit testing of Council Rates. Whitney also has a wide range of experience in dealing with a variety of ICT systems used within Local Government and is able to draw on this experience to identify best practice solutions to sometimes complex issues when compiling audit recommendations within our Management Reports issued.

Whitney specialises in the review of Council's internal controls to ensure they are audited in accordance with the Local Government Act 1999. She has been involved in the development of a number of Local Government audit programs used by DNP and has a strong client focus to assisting with audit issues and queries when they arise.

Qualifications & Memberships:

- Chartered Accountant Program (study currently underway)
- Bachelor of Commerce

Proposed Audit Engagement Team

Kyle Harrison – Audit Officer

Kyle is an experienced audit officer with over 4 years audit and assurance experience. His audit experience goes beyond Local Government and also undertakes the external audit of aged care client, real estate trusts, ACNC entities, large private clubs, private companies and other not-for-profit and private entities.

Kyle has experience that goes beyond audit and also performs accounting assistance roles for clients in the areas of financial statement preparation, accounting standards compliance review and internal audit. Given his 4 years experience, he is well versed in Local Government audit programs used by DNP which ensures that audits are performed at a consistent high standard.

Qualifications & Memberships:

- Chartered Accountant Program (study currently underway)
- Bachelor of Commerce

Daniel Phillips – Audit Officer

Daniel has over 2 years audit and assurance experience and previously worked in the taxation and business services department of DNP. Given his previous experience working in the area of taxation and preparation of client financial statements, he has a strong appreciation for the key risks and matters to be considered when preparing financial statements. Daniel's audit experience goes beyond Local Government and also undertakes the external audit of aged care client, real estate trusts, ACNC entities, large private clubs, private companies and other not-for-profit and private entities.

Daniel has experience that goes beyond audit and also performs accounting assistance roles for clients in the areas of financial statement preparation, accounting standards compliance review and internal audit. Given his 4 years experience, he is well versed in Local Government audit programs used by DNP which ensures that audits are performed at a consistent high standard.

Qualifications & Memberships:

- Chartered Accountant Program (study currently underway)
- Bachelor of Commerce

External Audit Tender Response

Tender Response Schedules



REQUEST FOR TENDER No. 2020 C23

External Auditor

Contact Officer:

John Newton, Manager Financial Services
Telephone: (08) 8229 9924
Email: jnewton@holdfast.sa.gov.au
Brighton Civic Centre
24 Jetty Road Brighton SA 5048

Closing Time

Time: 5.00 pm (sharp)
Day: Friday
Date: 15 May 2020

Lodgement Location

SA Tenders and Contracts website



PART 1 – TENDER FORM

INSTRUCTIONS: A Tenderer must prepare and lodge this Tender Form in compliance with the RFT and with the additional instructions detailed on this Tender Form as follows. Use additional sheets as necessary, each of which identifies the Tenderer and references the relevant part of the Tender Form. Information provided on one Schedule need not be repeated on another Schedule, but it would assist the evaluation panel if the information were cross-referenced to the other relevant Schedule.

Request for Tender No. 2020 C23 External Auditor

The person(s) named below as the Tenderer now offers to enter into and perform the Contract contemplated in the RFT for the above issued by the Principal. This Tender is submitted in accordance with the RFT and in consideration of, amongst other things, the Principal undertaking to investigate and take it into account with any other Tenders received by the Principal. Expressions used in the RFT have the same meaning in this Tender.

THE TENDERER

Full name(s): S.F Creten & J Jovicevic & J.M Keogh T/A Dean Newbery & Partners

[Note: If a partnership or consortium, state the names of all members]

Australian Business Number (A.B.N.): 30 164 612 890.....

Business Address: 214 Melbourne Street North Adelaide SA 5006

Contact Address (if different from above): PO Box 755 North Adelaide SA 5006.....

Contact Person: Samantha Creten

[Note: The contact person must have authority to respond to any queries the Principal may have about the Tender.]

Telephone Number: 8267 4777

Facsimile Number: 8239 0895.....

Email Address: sam@deannewbery.com.au

TENDER DOCUMENTS RECEIVED

The Tenderer received the documents listed below: (list out any addenda issued by the Principal)

Document	Description
1	2020 C23 External Auditor - Specification
2	2020 C23 External Auditor – DRAFT Contract
3	2020 C23 External Auditor – Request for Tender

ANNEXURES TO THIS TENDER

These annexures (and any additional sheets used by the Tenderer) are part of the Tender:

Schedule 1 – Price


Schedule 2 – Capability

Schedule 3 – Statement of Compliance with the Contract and Specifications

Schedule 4 – Other Matters

SIGNATURE

Dated this 15th day of May 2020

Signature: 

Print name of person signing: Samantha Creten

Title of person signing: Partner

The person signing warrants they have authority to complete, sign and submit this form on behalf of the Tenderer.

TENDER FORM SCHEDULE 1 – PRICE

Section 1.1 – Lump sum price

The Tenderer's lump sum price (**before GST**), not subject to rise and fall, is: \$ 152,500.....

Customise the table to allow tenderers to provide a breakdown of costs, as detailed as required for evaluation.

Item	Proposed Timing	Cost (Excl. GST)
Lump Sum – 5 Year Audit Fee <i>Fee includes external audit of Council and Alwyndor Financial Statements</i>	5 Year Audit Engagement	\$152,500
TOTAL		\$152,500

Assumptions in the lump sum price

The Tenderer must list below any and all assumptions in calculating the price stated - such as volume and other discounts, the effect on the lump sum price should the Principal decide to accept part only of the Tender. During the evaluation process the Tenderer may be required to supply a detailed breakdown of the price.

No.	Assumptions
1	Includes the annual audit of Roads to Recovery, Workers Compensation and Annual Prudential Compliance audits as required.
2	Includes annual attendance at Council's Audit Committee meeting.
3	

Exclusions to lump sum price

The Tenderer must list below anything not included in the lump sum price. Anything not listed below is included in the lump sum price.

No.	Exclusions
1	If there are any additional acquittals required to be completed to those noted in 1 above, an additional fee of \$200 (GST Excl.) per acquittal will be charged for a standard acquittal audit to be completed.
2	Cost for obtaining external bank confirmations which will be charged back to Council at cost (should there be any cost incurred).
3	

Provisional Sums

In the Tenderer's price/s stated above, allow for the following provisional sums.

No.	Item
1	There are no provisional sums included in the above Tendered lump sum price.

Section 1.2 – Schedule of rates

The Superintendent of the Contract shall use the schedule of rates **ONLY** to conclusively value:

- (a) any variation, or claim for extra cost or damages by the Contractor under the Contract; and / or
- (b) any additional work (not a “variation” under the Contract) in connection with the site the Principal might order from the Contractor and carried out by the Contractor.

The Tenderer submits the following schedule of rates (**before GST**):

Item	Description	Unit	\$ rate per unit* (GST Excl.)
1	Lead Audit Partner	21 Hours per annum	\$200 p/hour
2	Field Audit Partner	16 Hours per annum	\$200 p/hour
3	Audit Manager	64 Hours per annum	\$130 p/hour
4	Audit Officers	138 Hours per annum	\$100 p/hour
<p>* If a rate references cost, that means cost as payable by the Contractor to an independent supplier, minus any GST input tax credit allowable to the Contractor and at any time, the Principal may require evidence of that cost, including the original supplier’s invoice to the Contractor.</p>			

Rates stated above:

- (1) **Are before any GST.** In addition to those rates, the Contractor may recover from the Principal any GST for which the Contractor is liable on account of a taxable supply to the Principal.
- (2) Are fixed for 12 months from the Closing Date. On any anniversary of that date, rates increase by the percentage change in the Consumer Price Index (all groups index for Adelaide) since the start of the previous 12 months. Work is charged at the rate applicable when the work was done.
- (3) Include all overheads and profit and expenses for work to which the schedule of rates applies, including without limitation:
 - costs of all necessary labour (including on-costs), costs of support staff, administration, secretarial and word processing services
 - costs of transportation
 - incidental materials, preliminaries, overheads, insurances
 - in case of goods - any weighing, packaging, delivery, installation, commissioning
 - in case of services - any fee, levy (including CITB levy), duty, cost, expense or tax (except GST) incurred by the Contractor in providing the service.

- (4) Include all ancillary works and all costs, labour, material, fees, machinery and transport, on costs and profits.

Any item not specifically covered by the schedule of rates may be compared with other similar items in that schedule to determine the acceptability or otherwise of a claim by the Contractor for that item.

Where the schedule of rates applies, the Contractor's payment claim shall be in the same format as that schedule or be accompanied by an itemised schedule of rates for that payment claim, in each case showing the itemised quantity, rate and extended value of each item.

TENDER FORM SCHEDULE 2 – CAPABILITY

This Annexure requires information about the Tenderer’s resources (including financial, technological, physical and human resources) and experience to perform the Contract.

<u>Section 2.1 – Industry experience</u>	Years
Years the Tenderer's business has continuously operated in the supply of goods / services the same or similar to those the Contract requires and of a similar value	Over 40 Years
Years the Tenderer has owned that above business	12
Years the Tenderer's most senior executive officer has held that position	18

<u>Section 2.2 – Financial</u>	Yes	No
Tenderer can provide its financial statements for each of the last 2 financial years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>If yes, provide copies of the financial statements.</p> <p>If no, the annual turnover in the Tenderer’s business in the 2nd to last financial year was \$ 2.92M and in the last financial year was \$ 4.06M</p> <p>(Note: restructure of Partnership occurred in FY2018 resulting in impact in turnover. DNP are able to provide confirmation of financial capacity to service the contract from its external bankers NAB should it be requested.)</p>		

<u>Section 2.3 – Registrations and licences</u>	Yes	No
Tenderer registered for GST?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer registered as an employer / exempt employer under the <i>Return to Work Act 2014</i> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has available any relevant government or industry licence / accreditation / certification?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer requires similar licences / accreditation / certification from all relevant subcontractors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes to any of the above (except the last), provide evidence showing all conditions and endorsements.		

<u>Section 2.4 – Insurances</u>	Yes	No
Tenderer insured for public liability for at least \$20 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for product / service warranty liability for at least \$1 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for professional indemnity for at least \$5 million?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured against loss / damage / destruction of its property for full replacement value?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer insured for comprehensive property damage for road vehicles in service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tenderer requires subcontractors to hold at least the same kinds and levels of insurance cover as above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

For non-vehicle insurances, provide a **certificate of currency** from a licensed insurance broker addressing the amount of cover, the name of the insurer, the expiry date, any non-standard exclusions or deductions, excess payable per claim

Section 2.5 – Workplace Health and Safety	Yes	No
Please note, the successful Tenderer will be required to successfully complete a detailed Contractor WHS Contractor Induction Form, and provide all relevant documentation prior to being awarded the contract.		
Tenderer has a health and safety system (including protection of its own employees and subcontractors) relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract? <i>If the Tenderer's WHS system is certified by an independent 3rd party, provide a copy of the certification</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
In the last 36 months, did a worker of the Tenderer or of a named subcontractor suffer a compensable disability under the <i>Workers Rehabilitation and Compensation Act 1986</i> or <i>Return to Work Act 2014</i> (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor the subject of a default notice / improvement notice / prohibition notice / proceedings for an offence under the <i>Work Health and Safety Act 2012</i> or regulations made under that Act (or equivalent outside SA)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Please provide details of the nominated officer responsible for WHS in your work place: John Jovicevic		
If yes to any of the above, provide details		

Section 2.6 – Environment	Yes	No
Tenderer has an environment protection system relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract? <i>If the Tenderer's environment protection system is certified by an independent 3rd party, provide a copy of the certification</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor the subject of an environment protection order / clean-up order / clean-up authorisation / proceedings (civil or criminal) under the <i>Environment Protection Act 1993</i> or regulations under that Act (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please detail any environmentally sustainable initiatives being undertaken by the tenderer.

DNP have implemented a number of processes within its operations that ensure that environmental benefits are achieved where possible. In particular, the following initiatives have been implemented:

- DNP issued emails have a disclaimer included that requests recipients to 'Please consider the environment before printing this e-mail' included to avoid unnecessary printing and use of paper.
- DNP have travel restrictions placed on the number of motor vehicles used to travel to clients and try to minimise travel to only 2 vehicles where practicable and possible. This is especially so where regional travel is required by staff.
- DNP working papers are electronic and therefore less paper is required to maintain audit files. Audit documentation is also collated electronically which is environmentally beneficial given less paper usage and transport needs for audit file materials.
- Components of our audit work are proposed to be undertaken off-site within our North Adelaide office and therefore decreases the need for travel which is environmentally beneficial.
- DNP has a predominately paperless office environment. Depending on the client's circumstances and available resources, where possible, our work is conducted via electronic means to minimise the use of paper and postage requirements.
 - o For all audit engagements, all correspondence is issued via electronic means unless there is a specific request by the client to issue correspondence via hard copy, postal services.
- DNP offices have a strong internal recycling program which aims to limit the level of waste generated and disposed. Our aim is to minimise the environmental footprint of our operations where possible. Initiatives such as the following are practiced within the office:
 - o Recycle bins located in kitchen facilities and at all work stations.
 - o Onsite recycle bin for waste papers products.

Please detail any socially sustainable initiative being undertaken by the tenderer.

DNP has a number of socially sustainable measures which it has implemented within the operations of the firm. Examples of socially sustainable initiatives deployed within DNP’s operations are detailed as follows:

- DNP have a long history of employing graduates and providing opportunities for graduates to develop their professional career within the Firm. We are proud to be locally owned and a local employer contributing to the South Australian economy.
- DNP are sponsors of the South Australian Local Government Financial Management Group (SALGFMG). Sponsorship of the SALGFMG is seen as a way of supporting a key professional body within the South Australian Local Government sector in advancing the work they undertake in further developing and enhancing the financial management framework of the sector.
- As part of the SALGFMG sponsorship, DNP actively participates at industry workshops and events where we present on key topic matters when requested.
- DNP is also a member of the South Australian Local Government Auditor’s Group (SALGAG) where we donate our time to meet with our audit professionals operating within the sector to discuss and provide feedback on key topics and matters as they arise.
- DNP ensures that staff have the opportunity to participate in 4 organised social events throughout each calendar year that is undertaken within working hours. Social events are designed to also incorporate elements of team building and inter-team interaction designed to build on team building.
- DNP provides study assistance for all staff to provide support for staff to gain their qualifications and/or additional training needs to support professional career development goals.
- The Partners of DNP also undertake to support Red Cross Blood Donation campaigns and are all active donors.
- DNP promote staff to contribute their professional skills and experience by actively engaging on community and/or professional organisations.

If **yes** to any of the above, provide details

Section 2.7 – Local Economic Development

Complete the Table below for the Tenderer’s contribution to local economic development in performing the Contract:

Initiatives	Details
Please describe any opportunities for industry development you have identified for this project	Given our involvement with the South Australian Local Government sector, should we be successful in being awarded the Tender, our ongoing strong involvement with industry groups such as SALGFMG and SALGAG will be of benefit to the Council and the industry given our ability to consider any relevant issues from

	the audit of the Council in our deliberations within those key groups.
Please describe any opportunities for employment creation you have identified for this project	It is not expected that any additional employment opportunities will be created from this engagement.
Please nominate the number of SA Based labour hours that will be delivered under this project	All labour hours nominated under this tender will be sourced from South Australian based employees.

Section 2.8 – Key staff

Complete the Table below for the Tenderer’s key staff to be deployed in performing the Contract:

Name / Title	Experience / qualifications
Samantha Creten	Details provided in attachment to Tender response.
John Jovicevic	Details provided in attachment to Tender response.
Whitney Sandow	Details provided in attachment to Tender response.
Kyle Harrison	Details provided in attachment to Tender response.
Daniel Phillips	Details provided in attachment to Tender response.

Number of the Tenderer's other staff able to be deployed: Six.....

Section 2.9 – Other resources

	Yes	No
Tenderer has facilities (premises, plant / equipment) available for use under the Contract (having due regard to other commitments of the Tenderer)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has arrangements to ensure the Tenderer a reliable supply of materials in the quantities and at the times required under the Contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer or a named subcontractor has a sufficient number of qualified, trained employees available for use under the Contract (having due regard to other commitments of the Tenderer)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes to any of the above, provide details and complete the following table(s).		

Local Supplies and Equipment to be sourced by the Contractor in the works under the Contract: Complete this Table with the details of businesses within the City of Holdfast Bay that the contractor uses:

Description	Supplier	Location
Supplies:	No subcontractor will be engaged to undertake work under the engagement.	
Equipment:		
Other:		

Section 2.10 – Subcontractors

Complete the Table below for any proposed subcontract work:

Subcontractor	Work to be subcontracted
Name: Address:	No subcontractor will be engaged to undertake work under the engagement.
Note: The awarding of the Contract to the Tenderer is not approval of any named subcontractor as may be required by the Contract	

Section 2.11 – Referees

Complete the Table below for 3 unrelated customers based in Australia who in the last 12 months were customers of the Tenderer for goods / services the same or similar to those the Contract requires and of a similar value.

Customer’s name: City of Burnside Customer’s address: 401 Greenhill Rd Tasmore SA 5065 Contact name: Karishma Reynolds Phone no.: 8366 4178 Email: Kreynolds@burnside.sa.gov.au
Customer’s name: City of Mitcham Customer’s address: 131 Belair Rd Torrens Park SA 5062 Contact name: Wade Reynolds Phone no.: 8372 8888 Email: wreynolds@mitchamcouncil.sa.gov.au
Customer’s name: Town of Gawler Customer’s address: 43 High Street Gawler East SA 5118 Contact name: Paul Horwood Phone no.: 8522 9211 Email: paul.horwood@gawler.sa.gov.au

Section 2.12 – Contract disputes	Yes	No
In the last 36 months, did a person give the Tenderer or a named subcontractor a show cause notice, or notice of termination for default?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, did a person have recourse to retention money or other security for work by the Tenderer or by a named subcontractor?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In the last 36 months, was the Tenderer or a named subcontractor in an arbitration / litigation in connection with work by the Tenderer (ignoring any only to collect debts or damages owed to the Tenderer)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes to any of the above, provide details		

Section 2.13 – Regulatory history

The following Table concerns any matters at any time in the last 36 months applying to the Tenderer or a named subcontractor, or to a related body corporate of any of them (within the meaning of *Corporations Act 2001*) or to any of their respective directors or shareholders. If a partnership or consortium tenders, apply the above requirement to each member of the partnership / consortium.

	Yes	No
Criminal proceedings for an offence involving dishonesty?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A proceeding (civil or criminal) to which Australian Competition and Consumer Commission / Commissioner for Consumer Affairs (or equivalent regulator outside South Australia) was party?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
An industrial dispute that was referred to an official exercising a function under the <i>Fair Work Act 1994</i> (or equivalent statute outside South Australia) or under the <i>Workplace Relations Act 1996</i> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A proceeding under the <i>Equal Opportunity Act 1984</i> (or equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A sanction under the <i>National Code of Practice for the Construction Industry</i> ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A complaint by the Commissioner of Consumer Affairs alleging grounds for disciplinary action under the <i>Building Work Contractor’s Act 1995</i> (or equivalent regulator under an equivalent statute outside South Australia)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes to any of the above, provide details		

<u>Section 2.14 – Method of working</u>	Yes	No
Tenderer has a quality system (including an inspection and testing regime) relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tenderer has a contract management system relevant to the Contract and which the Tenderer promises to deploy in performance of the Contract, if awarded the Contract?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>If yes to any of the above, provide details.</p> <p>If the Tenderer’s quality system is certified by an independent 3rd party, provide a copy of the certification.</p> <p>All DNP engagements are subject to quality review program by Chartered Accountants ANZ (CAANZ) which we are bound to adhere to. All engagements must be undertaken in accordance with the strict standards set by the Accounting Professional & Ethical Standards Board as well as the Australian Auditing Standards.</p> <p>DNP have internal quality control manuals and procedures that are required to be kept in accordance with the above noted standards which are subject to review under a quality review performed by CAANZ.</p> <p>Please Provide details on your methodology, including the following:</p>		

- **Proposed manner of working.**

An overview of the proposed audit methodology and staff capabilities has been included with our response to this Tender schedule.

In addition to the matters noted in those schedules, additional matters specifically relating to the audit of the Council which is to be factored into the audit plan have been highlighted below relating to the financial statements audit component of the engagement.

Asset Valuations

We note that in reviewing the FY2019 audited financial statements, there are ongoing asset valuations that will likely be processed given the time since they were last valued. In particular, the following asset classes would be considered for a revaluation in the near future:

- Buildings & Other Structures
- Footpaths
- Stormwater Drainage
- Other Transport Assets

Given the significant level of valuations expected to occur during the early stages of the engagement period, we are well placed to provide assistance and advice where we can to ensure that valuations are properly recorded and disclosed. In addition to accounting standard compliance, we will also provide input into considering the following matters:

- Are there any assets which have been recorded within the valuation that should not be included as they are not under Council's care and control from an asset recognition basis (i.e. leasehold improvements recorded where there is a land lease held).
- Has the correct distinction between Level 2 and Level 3 assets been applied for the purposes of complying with AASB 13 Fair Value Measurement.
- Has there been any material change in the estimated condition assessment, useful lives and forecasted depreciation and what was the basis for these changes being applied.
- Have service standards applied in the valuation consistent with those adopted by Council in their IAMP and LTFP.

Aged Care Audit Methodology Approach – Alwyndor Aged Care

DNP have extensive experience undertaking the external audit of aged care clients given our existing audit client base as well as previous engagements undertaken by DNP. Given the unique nature of the industry and matters that need to be considered when planning for the audit of an aged care provider, we are well placed to ensure that we formulate an audit plan that is tailored specific to the operations of Alwyndor whilst also ensuring that compliance from a local government public entity perspective.

In particular, when considering the audit plan and work to be conducted with respect to the audit of Alwyndor, the following are key matters we believe need to be factored into the scope of works:

- Audit testing to incorporate review of compliance with Annual Prudential Compliance audit requirements per Commonwealth Government reporting requirements
- Fixed asset register for plant and equipment deployed in providing aged care services is accurate and complete.
- Resident bond monies are appropriately accounted for and securely located at all times.
- Aged Care Facility Deposits are accounted for correctly in accordance with resident agreements and retentions (income) have been appropriately calculated and recorded in each financial year.

Council Subsidiary Entities – SRWRA

Given Council's reliance on SRWRA for its waste processing and disposal services, ensuring that transactions between the Council and SRWRA is of focus to ensure that transactions have been correctly accounted for (i.e. ensure any contributions paid or distributions received, have been correctly accounted for in accordance with equity accounting principles) as well as ensure disclosures included in the Council's financial statements appropriately reflect those included in SRWRA's.

Given DNP's existing engagement with SRWRA in undertaking financial accounting services for the entity, we are well placed to ensure that should any instances arise where the above noted matters need to be considered for the Council's financial statements that we are well aware of these matters to be factored into our audit plan.

Transition Plan

We have provided details of what activities and work would be undertaken as part of a transition plan in Year 1 of the audit should we be successful.

Key to a successful transition plan will be early communication and planning of the proposed audit plan and timetable for the financial year that is agreed on by all parties.

We fully appreciate the need for a seamless transition process.

Engagement with the Chair of the Audit Committee and Chief Executive Officer of the Council are steps we will undertake early in the engagement, to ensure that the audit plan reflects any specific matters that are required to be considered as part of the audit.

- Available adequate resources (including financial, technological, physical and human resources).

DNP have adequate level of resources available to be deployed on the engagement to service the Council for the full term of the engagement. In addition to the nominated staff on this Tender, there are six other experienced audit staff who are able to be allocated onto the audit should any members not be available during the term of the audit.

This includes having additional Partner resources with Local Government audit experience and Registered Company Auditor status in the unlikely event that Samantha is not available at any time during the course of the engagement.

- Experience to perform the Contract.

DNP has over 40 years external audit experience working with the South Australian Local Government sector. Samantha herself has over 25 years Local Government audit experience.

Additional information has been provided in the attachment to this Tender that provides further detail on this matter.

- Environmental and Social Sustainability Initiatives

Details of environmental and social initiatives that are expected from the adopted work method to be applied by DNP under the engagement have been detailed in 2.6 above.

- Local Economic Development

Given the nature of the work under the engagement, there is limited ability to promote local economic development as the services being provided are of a service nature.

List any other specific evaluation criteria for which you want to receive information about in the tender submissions;

- Eg: Timeframes

Further detail relating to proposed timeframes and other relevant information about DNP and our systems have been included in the attachment to our Tender response.

Consideration over the timing of proposed audit attendances are indicative and subject to consultation with the Council as to the appropriate timing of attendances to coincide when key staff will be available as well taking into account when information will be available for audit (i.e. asset valuations, internal control assessments completed, etc.).

Section 2.15 – Other Matters	Yes	No
Would the Tenderer enter into the Contract as an agent / nominee / trustee for a third party?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there a conflict of interest, or potential conflict of interest in the Tenderer being considered for, awarded or performing the Contract?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Tender for less than the whole of the Supplies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is any of the Tender commercial-in-confidence? <i>The Principal assumes that any financial history or financial projections for a Tenderer’s enterprise are submitted on a commercial-in-confidence basis</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are there any comments or other matters the Tenderer wishes to submit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>If yes to any of the above, provide details</p> <p>Additional information has been attached to this Tender response which provides further detailed information relevant to the services proposed to be provided under this engagement.</p>		

TENDER FORM SCHEDULE 3 – COMPLIANCE WITH THE CONTRACT & SPECIFICATIONS

If the Tender complies with all requirements of the Contract stated in PART 6 of the RFT, do not complete this Schedule.

If the Tenderer proposes to change *any* of the requirements of the Contract however, attach as a Schedule 3A in the form of the table below making a statement against each such requirement separately defining the extent to which the Tender does not comply with that requirement. The Tender is taken to comply with each requirement of the Contract except as may be clearly stated otherwise in that table.

STATEMENT OF NON-COMPLIANCE WITH THE CONTRACT CONDITIONS

Clause No.	Title	Does not comply (give full reasons)

If the Tender complies with all requirements of the Specifications stated in PART 7 of the RFT, do not complete this Schedule.

If the Tenderer proposes to change *any* of the requirements of the Specifications however, attach as an Schedule 3B the form of the table below making a statement against each such requirement separately defining the extent to which the Tender does not comply with that requirement. The Tender is taken to comply with each requirement of the Specifications except as may be clearly stated otherwise in that table.

STATEMENT OF NON-COMPLIANCE WITH THE SPECIFICATIONS

Clause No.	Title	Does not comply (give full reasons)

External Audit Tender Response

Tender Attachments








Work Health & Safety Policy

October 2018

Date of Adoption:	February 2016
Review Date:	October 2018

Adopted by resolution of the Partners:	
 Date: 31 October 2018	 Date: 31 October 2018
Samantha Creten	Jim Keogh
 Date: 31 October 2018	
John Jovicevic	

Work Health & Safety Objectives

Dean Newbery & Partners (**DNP**) are committed to the prevention of injury and illness in the workplace through the developments and maintenance of a safe and healthy work environment, with an emphasis on preventing accidents and work related illnesses.

DNP work Health & Safety / Procedures (WHSP), whilst recognizing our legal duty to ensure the health and safety of employees and non-employees in our workspace, aims to achieve higher standards than the minimum stipulated by current legislation.

This policy:

- Show the commitment of the management and works in this workplace to health and safety
- Aims to remove or reduce risks to the health and safety of all workers, contractors and visitors to this workplace and anyone else who may be affected by or operations
- Aims to ensure all work activities are done safely
- Recognizes that health and safety is 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

DNP Commitment to OHS Objectives

DNP will ensure:

- Their responsibilities under the *Work Health and Safety Act 2012 (SA)* and *Work Health and Safety Regulations 2012 (SA)* are 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 workers
- Provide ways for workers 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 workers are safe from injury and risks to their health and safety
- Conduct regular workplace inspections
- Ensure this policy and all safe work procedures are kept up-to-date.

Conduct of Employees & Clients on Premises

Workers must:

- Take reasonable care for their own health and safety, and ensure that their acts or omissions do not adversely affect the health and safety of others in the workplace
- Follow reasonable instructions given by the PCBU to protect their health and safety
- Identify and report any workplace incidents or hazards to their supervisor
- No willfully interfere with or misuse items or facilities provided

Visitors and contractors must:

- Not put themselves or any other person at the workplace at risk
- Comply with our safety policy

Rehabilitation Policy

Objective

DNP are committed to providing a safe and healthy work environment with an emphasis on preventing accidents and work related incidents.

DNP Rehabilitation Policy provides employees affected by working related injury, with occupational rehabilitation to facilitate and assist in their recovery and an early, safe return to work.

Application

To all DNP employees and partners.

Underlying Principals

All workplace related accidents, injuries should be reported promptly in order to identify and control hazards and to ensure timely occupational rehabilitation is provided to all employees. It is preferable, through early intervention at the workplace, to assist employees to remain at work if appropriate.

Adequate provisions for first aid will be available to provide immediate treatment of injuries occurring in the workplace.

Employee affected by work related injury or illness may be eligible for rehabilitation as defined in this Policy and may also be eligible for Workers' Compensation in accordance with relevant South Australian legislation.

Accordingly, when necessary, DNP will seek to provide suitable duties as an integral part of the rehabilitation program.

It is the normal expectation of all parties that participation in a rehabilitation program will ultimately lead to the resumption of pre-injury duties. In the event of this expectation being unrealistic or unrealized then redeployment, vocational retraining or in exceptional circumstances termination or employment may need to be considered.

Rehabilitation Program

DNP in support of this Policy will:-

- Investigate all accidents and incidents in order to control hazards and risks in the work environment
- Provide adequate resources for occupational rehabilitation including a suitably qualified Rehabilitation Coordinator
- Promote and support occupational rehabilitation and early and safe return to the work place following injury / illness
- Take all reasonable steps to assist an employee achieve their maximum pre-injury / illness capacity

- Provide suitable duties, where practicable, for an injured / ill employee as an integral part of the rehabilitation process
- Ensure the confidentiality of information relating to an employer's injury / illness and rehabilitation is maintained.

Rehabilitation and Service Providers

In some circumstances the services of a rehabilitation provider will be required. A rehabilitation provider consist of a multi-disciplinary team of accredited health professionals for the provision of workplace based rehabilitation services.

Accountabilities

It is the accountability of the employee to:-

- Notify the immediate manager of all injuries / illnesses that occur during the course of employment, as soon as possible
- Documents details of the injury / illness on an SWP injury / incident report form as soon as possible
- If claiming Workers' Compensation, complete the Workers' Compensation claim form and provide WorkCover medical certificates for all absences and complete a leave form as soon as possible
- Co-operate by participating in the development and implementation of a rehabilitation plan to achieve an early and safe return to work
- Nominate a rehabilitation provider, where required, to assist workplace assessment and training and facilitate a safe return to work
- Inform the reporting partner if a problem arises concerning the rehabilitation program.

It is the accountability of the reporting partner to:-

- Assist the injured / ill employee and ensure appropriate medical assistance is sought when required
- Ensure employees report all accidents / incidents which occur whilst at work or travelling to and from work by completing a SWPP Injury / Incident Report for as soon as possible
- Notify employees relations – SWPP as soon as possible if an employee is absent from work for seven or more consecutive days as a result of workplace injury / Illness
- Conduct an investigation to determine the cause of workplace accidents / incidents and initiate appropriate measures to eliminate / control hazard
- Sign all SWPP Injury / Incident Report and Workers' Compensation claim forms and make comment on the incident, particular any action to prevent recurrence
- Securely lock all records away
- Support the employee and monitor their recovery and rehabilitation
- Co-operate in the rehabilitation process through the provision of suitable duties and the supervision of the employee in accordance with guidelines documented in their rehabilitation program

It is the accountability of the appointed Rehabilitation Coordinator to:-

- Ensure the injured / ill employee has obtained appropriate treatment for their condition
- Facilitate a safe and early return to work by consulting with the injured / ill employee, treating practitioner, manager, union (if applicable) and rehabilitation provider

- Develop a rehabilitation program in consultation with the injured / ill employee, their treating practitioner, reporting partner and rehabilitation provider (if necessary). Affected colleagues may also be involved. A written return to work plan will be developed for every injury / ill employees who is incapacitated for work for 20 or more days
- Regularly review and monitor the effectiveness of individual rehabilitation programs and assist all parties in program implementation
- Ensure that the confidentiality of information relating to an employee's injury / illness and rehabilitation is maintained
- Inform employees of their rights in relation to a Workers' Compensation claim including choice of doctor and an accredited rehabilitation provider

Policy Review

It is the responsibility of the Partner's at DNP to review policies to ensure all policies are up-to-date and make amendments when necessary.

Certificate of registration

Return to Work Act 2014

Employer number 02511101
Employer name Dean & Newbery Pty Ltd
Trading name Dean & Newbery Pty Ltd

Date of issue: 4 July 2019

Statement of coverage valid until 30 June 2020

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

Dean & Newbery Pty Ltd is registered from 30/09/1987

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 2020 or until Dean & Newbery 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 by an employer within 5 business days of a request by a person authorised under section 165(8) of the Act. Failure to do so may result in a maximum penalty of \$1,000 under section 165(3) of the Act.

A person who fraudulently alters a certificate of registration 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.

Certificate of Currency



Professional Services Insurance Policy

Issue Date: 12/08/2019

Policy: ENTERPRISE PROFESSIONAL SERVICES INSURANCE

Policy number: SPX010593372

Period of insurance: 15/08/2019 to 4:00pm on 15/08/2020

Insured: DEAN & NEWBERY PTY LTD

Trading name: N/A

Business description: ACCOUNTING SERVICE

Premises address 214 MELBOURNE ST NORTH ADELAIDE 5006

Public and Products Liability

	Limit of Liability
Public Liability	\$20,000,000
Products Liability	\$20,000,000
Property in Your Custody or Control	\$250,000
Interested Party	N/A

Full List of Insureds

S. F Creten & J Jovicevic & J.M Keogh t/as Dean Newbery & Partners
Dean & Newbery Pty Ltd
Cardrona Nominees Pty Ltd
Donald James Venn t/as Dean Newbery Consulting
Don Venn

This Certificate certifies that as at the date of issue the stated policy is current for the period of insurance noted above. The issue of this Certificate imparts no obligation on the insurer to notify any party relying on it should the policy later be cancelled or altered for any reason.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This Certificate does not amend, extend or alter the coverage provided by the policy.

24 May, 2019

Certificate of Currency

This is to certify that the following policy reference 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
Insured Name:	Dean & Newbery Pty Ltd Mido Nominees Pty Ltd Dean Newbery & Partners VENN, Donald James (ABN: 21 890 938 603) VENN, Chantel Cherise (ABN: 43 221 528 219)
Professional Business:	Accountants
Policy Inception Date:	26 May 2019
Policy Expiry Date:	26 May 2020
Limit of Indemnity:	\$ 5,000,000 any one claim Unlimited in the aggregate
Excess	\$ 10,000 EEC exclusive of defence costs \$ 15,000 EEC inclusive of defence costs applies to audit, insolvency, merger & acquisition activities
Policy Number:	151R000111PLP

This Certificate is issued as a matter of information only and confers no rights upon the Certificate holder.



Underwriter - Financial Lines
ALLIANZ AUSTRALIA INSURANCE LIMITED

Extracted from ASIC's database at AEST 14:26:51 on 12/04/2020

Registered Auditor Summary

Name: SAMANTHA FAY CRETEN
Auditor Number: 222601
Commenced: 27/11/2002
Status: Current
Firm Name: DEAN & NEWBERY PTY. LTD.

Addresses

Principal Place of Practice Address: Dean & Newbery Pty Ltd 214 Melbourne Street NORTH ADELAIDE SA 5006
Commenced: 27/11/2002

Other Place of Practice Address: Dean & Newbery Pty Ltd 2 Wallace Street BALAKLAVA SA 5461
Commenced: 27/11/2002



Current details for ABN 30 164 612 890

ABN details

Entity name:	S.F CRETEN & J JOVICEVIC & J.M KEOGH
ABN status:	Active from 01 Apr 2008
Entity type:	Other Partnership
Goods & Services Tax (GST):	Registered from 01 Jul 2008
Main business location:	SA 5006

Business name(s)

Business name	From
DEAN, NEWBERY & PARTNERS	01 Apr 2008

Trading name(s)

From 1 November 2023, ABN Lookup will not display trading names and will only display registered business names. For more information, click [help](#).

Trading name	From
Dean Newbery & Partners	01 Apr 2008

Deductible gift recipient status

Not entitled to receive tax deductible gifts

ABN last updated: 03 Sep 2018

Record extracted: 15 May 2020

Disclaimer

The Registrar makes every reasonable effort to maintain current and accurate information on this site. The Commissioner of Taxation advises that if you use ABN Lookup for information about another entity for taxation purposes and that information turns out to be incorrect, in certain circumstances you will be protected from liability. For more information see [disclaimer](#).

Attachment 2



**City of Holdfast Bay
Tender Evaluation Matrix**

Tender Name: External Audit - 5 years - 20/21 - 25/26

The criteria are scored out of 10. The weighted score is the weight (%) multiplied by the allocated score (out of 10).

Assessment Criteria	Score Weighting	Full Score		BDO		Dean Newbery		Bentleys	
		Score	Weighted Score	Consensus Score	Weighted Score	Consensus Score	Weighted Score	Consensus Score	Weighted Score
Adequate Resources	30%	10	15	8.60	12.90	7.00	10.50	7.40	11.10
Experience	35%	10	15	7.60	11.40	8.40	12.60	7.60	11.40
Methodology	10%	10	15	5.80	8.70	7.60	11.40	8.00	12.00
Sustainability	5%	10	15	5.50	8.25	7.00	10.50	6.50	9.75
Local Economic Dvt	5%	10	15	6.00	9.00	6.00	9.00	6.00	9.00
Compliance	10%	10	15	8.50	12.75	8.75	13.13	8.50	12.75
Other	5%	10	10	10.00	10.00	10.00	10.00	10.00	10.00
TOTAL	100%	50	100	52.00	73.00	54.75	77.13	54.00	76.00

Value for Money Assessment

Rank:

Tendered Price	Value for Money	Tendered Price	Value for Money	Tendered Price	Value for Money	Tendered Price	Value for Money
\$	\$ divided by score	\$218,750	2,996.58	\$152,500	1,977.31	\$196,650	2,587.50
		3		1		2	