



**I hereby give notice that  
an Extraordinary Meeting of Council will be held on:**

**Date: 12 August 2022**

**Time: 2pm**

**Location: Norfolk Island Regional Council Chambers**

**BUSINESS PAPER**  
**Extraordinary Council Meeting**  
**12 August 2022**

*Besnes Piepa*  
*f daa Ekstrordeneri Kaunsl Miiten*  
*orn 12 Orgas 2022*

**Paul Martin**  
**ACTING GENERAL MANAGER**

**Statement of Respect:**

*The Norfolk Island Regional Council promotes a climate of respect for all. We will endeavour to inspire in our community shared civic pride by valuing and protecting our unique culture and environment, both natural and built, for the current and future generations. We, the Administrator and staff of the Norfolk Island Regional Council undertake to act with honesty and integrity, to conduct ourselves in a way that engenders trust and confidence in the decisions we make, and the actions we take on behalf of the Norfolk Island community. We acknowledge the traditional custodians of this Island.*

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**1 WELCOME**

**2 STATEMENT OF RESPECT**

**3 APOLOGIES**

Nil at the time of preparing the agenda.

**4 DISCLOSURE OF INTEREST**

Nil at the time of preparing the agenda.

**5 PUBLIC ACCESS**

## 6 REPORTS FROM MANAGER CORPORATE AND FINANCE

### 6.1 APPOINTMENT OF EXTERNAL AUDITOR

**Author:** Paul Martin, Manager Corporate and Finance

#### SUMMARY

The purpose of this report is for Council to consider the appointment of the recommended external audit firm Forsyth's Business Services for a period of six years.

#### BACKGROUND

In accordance with section 422 of the *Local Government Act 1993 (NSW)(NI)*, Council is to appoint an auditor under the direction of the Auditor General. On the 27<sup>th</sup> of January 2017 the Honourable Fiona Nash made an instrument Norfolk Island (*Local Government Act 1993 (NSW) (NI) Direction and Delegation 2017 (No.1)*) allowing for Council to appoint its own auditor.

Pitcher Partners Sydney had been appointed to carry out Council's external audit for the six years through to 30 June 2022. Following the completion of the 2020-21 audit in April 2022, Pitcher Partners advised that they were unable to complete the final year of their contract due to resourcing issues.

As such, at the June 2022 Ordinary Council Meeting, it was resolved to go to market to find a new external auditor. Council engaged Peak Services to run the tender process which closed on the 28<sup>th</sup> of June 2022.

#### RELEVANCE TO THE STRATEGIC PLAN AND RESOURCING STRATEGY

The appointment of an external auditor aligns with the Community Strategic Plan's Governance Strategy: An Informed and Accountable Community.

#### DISCUSSION

Council engaged Peak Services to run the tender process which closed on the 28<sup>th</sup> of June 2022. A total of 9 tenders were received and assessed against the following criteria. The panel was comprised of Paul Martin (Council's Manager of Corporate & Finance), Roger Nielsen (Council Contract Accountant), and Peter Morochovitis (Peak Services Principal Procurement Advisor).

Table 1. Evaluation Criteria

EVALUATION CRITERIA	WEIGHTING
Prior experience and capability	30%
Management, staff and technical resources	15%
Continuity of staff involvement	7.5%
Industry knowledge	7.5%
Other services offered	5%
Solution and methodology	15%
Price	20%

The table below summarises the tenders received and the scores awarded.

Table 2. Scores Awarded

<b>TENDER RECEIVED FROM (alphabetical order)</b>	<b>SCORE / 100</b>
Crowe Audit Australia	75.5
Forsyth's Business Services	71.7
Grant Thornton Audit	67.9
Moore Australia Audit	64.2
Nexia Sydney Audit	69.4
Pitcher Partners (Brisbane)	68.5
PKF Brisbane Audit	51.0
Vincents Audit Services	40.9
William Buck Qld	65.8

Following discussions with representatives from the top three scorers, having particular regard to the extent and currency of similar appointments, proposed fee structure and other matters, in accordance with Section 178 of the Local Government (General) Regulation, I believe the tender from Forsyth's Business Services is the most advantageous to Council having regard to all circumstances.

#### **GOVERNANCE/POLICY IMPLICATIONS**

The recommended external audit firm Forsyth's Business Services will provide assurance as to the accuracy of the statutory financial statements and the processes underlying the preparation of those financial statements.

#### **LEGAL IMPLICATIONS**

Council is required by section 422 of the *Local Government Act 1993 (NSW)*(NI) to have an external auditor.

#### **ENVIRONMENTAL IMPLICATIONS**

Nil

#### **SOCIAL IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

The proposed audit fee is within budget guidelines.

**RECOMMENDATION**

1. That Council approves the appointment of Forsyth's Business Services as external auditors of the Norfolk Island Regional Council for six years through to the conclusion of the audit for the year ending 30 June 2027.
2. That the General Manager be authorised to negotiate and execute contract documentation.

**ATTACHMENTS**

Nil

- 7 URGENT BUSINESS WITHOUT NOTICE**
- 8 QUESTIONS FOR THE NEXT MEETING**
- 9 CLOSE OF COUNCIL MEETING**