

AUDIT AND RISK COMMITTEE MEETING 17 MARCH 2020

REPORT 1: 2019 COMPLIANCE AUDIT RETURN

Alternate Officer Recommendation

That the Audit and Risk Committee recommend that Council:

- 1 Adopts an amendment to response to Section 6, Question 2, Integrated Planning and Reporting and Section 2, Question 1, Delegation of Power/Duty of the 2019 Local Government Compliance Audit Return as per Attachment 1 with the following changes:**

Section 6, Question 2, Integrated Planning and Reporting:

No	Reference	Question	Response	Comment	Respondent
2	s5.56 Admin Reg 19DA (4)	Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at?	No	A review of the Corporate Business Plan was undertaken in the 2018-2019 Financial Year. The review was completed as part of the adoption of the annual budget, however a separate resolution point for Council to adopt the review of Corporate Business Plan was not included in the resolution.	Casey Mihovilovich

Section 2, Question 1, Delegation of Power/Duty:

No	Reference	Question	Response	Comment	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority?	N/A		Casey Mihovilovich

- 2 Adopts the 2019 Local Government Compliance Audit Return for the period 1 January 2019 to 31 December 2019 as per Attachment 2 of the report.**
- 3 Submit, in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996, the completed 2019 Compliance Audit Return to the Department of Local Government, Sport and Cultural Industries as per Attachment 2.**

Comment: *The City of Mandurah has obtained clarification from the Department of Local Government, Sport and Cultural Industries regarding question two, section 6 Integrated Planning and Reporting of the 2019 Compliance Audit Return.*

In accordance with Regulation 19DA(4) of the Local Government (Administration) Regulations 1996 (the Regulations) the Local Government is required to review the current Corporate Business Plan for its district every year.

ADDITIONAL INFORMATION FROM DIRECTOR CORPORATE SERVICES

Whilst Council reviewed the Corporate Business Plan and subsequent operational plans as part of the annual budget adoption process, there was no separate resolution point by Council to adopt the annual review of the Corporate Business Plan in the 2018-2019 Financial Year.

The second amendment relating to Question 1, Section 2 Delegation of Power/Duty was an administrative error and the return should state N/A as there are no delegations to committees.

City Officers will undertake a review of the Integrated Planning and Reporting Framework process to ensure all compliance requirements under the Regulations are met in the future.



Department of
**Local Government, Sport
and Cultural Industries**

Mandurah - Compliance Audit Return 2019

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2019?	N/A		Casey Mihovilovich
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2019?	N/A		Casey Mihovilovich
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2019?	N/A		Casey Mihovilovich
4	s3.59(4)	Has the local government complied with public notice and publishing requirements of each proposal to commence a major trading undertaking or enter into a major land transaction for 2019?	N/A		Casey Mihovilovich
5	s3.59(5)	Did the Council, during 2019, resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Casey Mihovilovich



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority?	N/A		Casey Mihovilovich
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing?	N/A		Casey Mihovilovich
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17?	N/A		Casey Mihovilovich
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Casey Mihovilovich
5	s5.18	Has Council reviewed delegations to its committees in the 2018/2019 financial year?	N/A		Casey Mihovilovich
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act?	Yes		Casey Mihovilovich
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority?	Yes		Casey Mihovilovich
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing?	Yes		Casey Mihovilovich
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Casey Mihovilovich
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	Yes		Casey Mihovilovich
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees?	Yes		Casey Mihovilovich
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2018/2019 financial year?	Yes	G.18/06/19	Casey Mihovilovich
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required?	Yes		Casey Mihovilovich

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68)?	Yes		Casey Mihovilovich
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings?	N/A		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made?	Yes		Casey Mihovilovich
4	s5.73	Where the CEO had an interest relating to a gift under section 5.71A(1), was written notice given to the Council?	N/A		Casey Mihovilovich
5	s5.73	Where the CEO had an interest relating to a gift in a matter in respect of a report another employee is providing advice on under section 5.71A (3), was the nature of interest disclosed when the advice or report was provided?	N/A		Casey Mihovilovich
6	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day?	Yes		Casey Mihovilovich
7	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day?	Yes		Casey Mihovilovich
8	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2019?	Yes		Casey Mihovilovich
9	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2019?	Yes		Casey Mihovilovich
10	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return?	Yes		Casey Mihovilovich
11	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76?	Yes		Casey Mihovilovich
12	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28?	Yes		Casey Mihovilovich
13	s5.89A Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under section 5.71A, in the form prescribed in Administration Regulation 28A?	Yes		Casey Mihovilovich
14	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76?	Yes		Casey Mihovilovich
15	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee?	Yes		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
16	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes?	Yes		Casey Mihovilovich
17	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report?	Yes		Casey Mihovilovich
18	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee?	Yes		Casey Mihovilovich
19	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees?	Yes		Casey Mihovilovich

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5))?	N/A		Casey Mihovilovich
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	N/A		Casey Mihovilovich

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1) (2)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates?	Yes		Casey Mihovilovich
2	Elect Reg 30G(3) & (4)	Did the CEO remove any 'disclosure of gifts' forms relating to an unsuccessful candidate or a successful candidate that completed the term of office from the electoral gift register, and retain those forms separately for a period of at least 2 years?	Yes		Casey Mihovilovich



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Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	SP.3/10/17	Casey Mihovilovich
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A		Casey Mihovilovich
3	s7.3(1)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor, a registered company auditor?	Yes		Casey Mihovilovich
4	s7.3(1), 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council?	Yes	G.18/5/16	Casey Mihovilovich
5	Audit Reg 10	Was the Auditor's report(s) for the financial year(s) ended 30 June received by the local government within 30 days of completion of the audit?	Yes	G.17/12/19	Casey Mihovilovich
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2019 received by the local government by 31 December 2019?	Yes	G.17/12/19	Casey Mihovilovich
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9(1) of the Act required action to be taken, did the local government, ensure that appropriate action was undertaken in respect of those matters?	Yes	G.10/9/19	Casey Mihovilovich
8	S7.12A(4)	Where the auditor identified matters as significant in the auditor's report (prepared under s7.9(1) of the Act), did the local government prepare a report stating what action had been taken or it intended to take with respect to each of the matters and give a copy to the Minister within 3 months after receipt of the audit report?	Yes		Casey Mihovilovich
9	S7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes		Casey Mihovilovich
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit?	Yes	G.36/4/10	Casey Mihovilovich
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit?	Yes	G.36/4/10	Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit?	Yes	G.36/4/10	Casey Mihovilovich
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor?	Yes	G.36/4/10	Casey Mihovilovich
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor?	Yes	G.36/4/10	Casey Mihovilovich



Integrated Planning and Reporting						
No	Reference	Question	Response	Comments	Respondent	
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	26 September 2017 - G.39/9/17	Casey Mihovilovich	
2	s5.56 Admin Reg 19DA (4)	Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at?	No	A review of the Corporate Business Plan was undertaken in the 2018-2019 Financial Year. The review was completed as part of the adoption of the annual budget, however a separate resolution point for Council to adopt the review of Corporate Business Plan was not included in the resolution.	Casey Mihovilovich	
3	s5.56 Admin Reg 19C	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	12 September 2017 – G.13/9/17	Casey Mihovilovich	
4	s5.56 Admin Reg 19C (4)	Has the local government reviewed the current Strategic Community Plan. If Yes, please provide date of most recent review by Council in Comments. Note: If the current Strategic Community Plan was adopted after 1/1/2016, please respond N/A and provide adoption date in Comments?	N/A	12 September 2017 – G.13/9/17	Casey Mihovilovich	
5	S5.56 Admin Reg 19DA (3)	Has the local government developed an Asset Management Plan(s) that covers all asset classes. If Yes, please provide the date of the most recent Plan adopted by Council in Comments?	Yes	22 May 2018 - G.19/5/18	Casey Mihovilovich	
6	S5.56 Admin Reg 19DA (3)	Has the local government developed a Long Term Financial Plan. If Yes, please provide the adoption date of the most recent Plan in Comments?	Yes	23 November 2010 - G.40/11/10	Casey Mihovilovich	
7	S5.56 Admin Reg 19DA (3)	Has the local government developed a Workforce Plan. If Yes, please provide adoption date of the most recent Plan in comments?	Yes	24 July 2018 - G.22/7/18	Casey Mihovilovich	



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Local Government Employees						
No	Reference	Question	Response	Comments	Respondent	
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A		Casey Mihovilovich	
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A?	Yes		Casey Mihovilovich	
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4)?	N/A		Casey Mihovilovich	
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only)?	N/A		Casey Mihovilovich	
5	s5.37(2)	Did the CEO inform Council of each proposal to employ or dismiss a designated senior employee?	Yes		Casey Mihovilovich	



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer?	N/A		Casey Mihovilovich
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c)?	Yes		Casey Mihovilovich
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made?	Yes		Casey Mihovilovich
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint?	Yes		Casey Mihovilovich
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred?	Yes		Casey Mihovilovich
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c)?	Yes		Casey Mihovilovich



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Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Local Government (Financial Management) Regulation 5 (2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	Yes	27 March 2018 - G.14/3/18	Casey Mihovilovich
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	Yes	G.26/05/17 - 23 May 2017	Casey Mihovilovich
3	Financial Management Reg 5A.	Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019?	Yes	G.17/12/19	Casey Mihovilovich
4	S6.4(3)	Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019?	Yes		Casey Mihovilovich

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2))?	Yes		Casey Mihovilovich
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract?	Yes		Casey Mihovilovich
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice?	Yes		Casey Mihovilovich
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16?	Yes		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation?	Yes		Casey Mihovilovich
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16?	Yes		Casey Mihovilovich
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender?	Yes		Casey Mihovilovich
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria?	Yes		Casey Mihovilovich
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection?	Yes		Casey Mihovilovich
10	F&G Reg 19	Did the CEO give each tenderer written notice advising particulars of the successful tender or advising that no tender was accepted?	Yes		Casey Mihovilovich
11	F&G Reg 21 & 22	Did the local governments advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22?	Yes		Casey Mihovilovich
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice?	Yes		Casey Mihovilovich
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services?	Yes		Casey Mihovilovich
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest, a notice in writing in accordance with Functions & General Regulation 24?	Yes		Casey Mihovilovich
15	F&G Reg 24AC (1) & (2)	Has the local government established a policy on procurement of goods and services from pre-qualified suppliers in accordance with the regulations?	Yes	G.10/7/19	Casey Mihovilovich
16	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice?	N/A		Casey Mihovilovich
17	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE?	N/A		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
18	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application?	N/A		Casey Mihovilovich
19	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, given notice of the variation?	N/A		Casey Mihovilovich
20	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications?	N/A		Casey Mihovilovich
21	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application (s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria?	N/A		Casey Mihovilovich
22	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG?	N/A		Casey Mihovilovich
23	F&G Reg 24AI	Did the CEO send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted?	N/A		Casey Mihovilovich
24	F&G Reg 24E	Where the local government gave a regional price preference, did the local government comply with the requirements of F&G Reg 24E including the preparation of a regional price preference policy?	N/A		Casey Mihovilovich
25	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy?	Yes		Casey Mihovilovich
26	F&G Reg 11A	Does the local government have a current purchasing policy that comply with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less?	Yes	Minute G.10/7/19	Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
27	F&G Reg 11A	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract is, or is expected to be \$150,000 or less or worth \$150,000 or less?	Yes		Casey Mihovilovich

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Mandurah

Signed CEO, Mandurah