



---

28 January 2010

## **SMRC's 'Typographical Error' a Farce**

Dr Mike Nahan, Member for Riverton said the recent discovery of errors with the Southern Metropolitan Regional Council's audited Annual Report had highlighted the SMRC's cavalier attitude to its corporate responsibilities.

"It has come to light that there are errors in the SMRC's certified and audited financial statements for the last financial year with regard to the CEO Stuart McAll's salary. Incorrect figures, that have been provided and approved by Mr McAll have helped to hide a huge jump in his salary of tens of thousands of dollars," said Dr Nahan.

"And when I have pointed this fact out, what was response from the Chairman Tony Romano? It's just a typo and that he'll change the numbers before they print the Annual Report. That is improper and with his financial services background, he should know better."

"The auditor signed off on those accounts on 16 October 2009 and certified them as being correct. They are incorrect, I believe, in the previous Annual Report too."

"It is the SMRC's responsibility to ensure that its financial records are free of misstatement, whether *by fraud or error*. The management of the SMRC has failed in its corporate responsibility to the ratepayers of Canning, Melville, East Fremantle, Fremantle, Cockburn, Kwinana and Rockingham to maintain and provide accurate financial records."

Dr Nahan said the CEO Stuart McAll should have known what salary band he was on.

"Does Mr McAll really have no idea at all about his salary? Or doesn't he want the community to know that despite the SMRC facing enormous problems under his watch during the last few years, he was still rewarded with a huge salary increase?" said Dr Nahan.

"Not only that, the incorrect information contained in the audited accounts only reflects the cash component of Mr McAll's salary. According to the Salaries and Allowances Tribunal, as at the 27 June 2008, he was actually on a band of \$184,402 - \$249,485, including fringe benefits, making him the highest paid CEO of any local government regional council."

"To be accurate, the SMRC should report the total remuneration that is relevant to the SMRC's costs not just the cash component."

Dr Nahan said it was frustrating that in trying to establish just what figure the CEO was paid, the SMRC's latest media release had failed to explain the ten-fold increase in the allowances paid to the Chairman and Deputy Chairman (up from \$1,250 to \$12,500) and the fact that the Councillor's meeting fees increased by just under 50% from \$40,000 to \$59,000.

"I call on the CEO Stuart McAll to explain those increases as well as his salary increases to the community in light of the poor performance of the SMRC and to provide a full explanation as to how the errors in the annual reports for the last two years have been allowed to occur under his watch," said Dr Nahan.