



Additional Information

Audit and Risk Management Committee

Tuesday, 11 February 2020, 5:30 pm

ARMC2002-2 ADOPTION OF THE 2019 COMPLIANCE AUDIT RETURN
ADDITIONAL INFORMATION 1: Consultants Summary Report

2019 Compliance Audit Return Assessment and Risk summary (Summary Report)

14 January 2020

Prepared for: City of Fremantle

By: David Baker, local government compliance consultant

On 9 January 2020 I conducted the City of Fremantle's (the City) Compliance Audit Return (CAR). Western Australian local governments are required to complete a CAR in accordance with section 7.13(1)(i) of the *Local Government Act 1995* (the Act) and regulations 13,14,15 and 16 of the *Local Government (Audit) Regulations 1996* for the period 1 January 2019 to 31 December 2019.

The CAR is a checklist of a local government's compliance with the requirements of the Act and associated Regulations as approved by the Minister. To reflect recent amendments to the Act and Regulations, the content and structure of the CAR has changed markedly to include 11 additional questions and 4 optional questions relating to auditing of financial systems, processes, and reporting. The following areas of activity are required to be answered:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power / Duty (13 questions);
3. Disclosure of Interest (19 questions);
4. Disposal of Property (2 questions);
5. Elections (Gift Register) (2 questions);
6. Finance (14 questions);
7. Integrated Planning and Reporting (7 questions);
8. Local Government Employees (5 questions);
9. Official Conduct (6 questions);
10. Tenders for providing Goods and Services (27 questions).
11. Optional Questions: Financial Management Systems (4 questions) *

*Not included in calculating compliance percentage

In all, the CAR contains a total of 100 questions that are required to be answered plus 4 optional questions.

The review of the City's 2019 CAR has recorded **99%** compliance with the 100 questions, with one minor non-compliance identified. This compares with 99% compliance in 2018, and 98% in 2017.

The audit identified a minor issue during the course of the review, which is outlined in Table 1:

Table 1 – non-compliance responses

Areas of Compliance 2018/19 CAR	Noncompliances Reported		Comments
	2018	2019	
Commercial Enterprises by Local Governments	Nil	Nil	
Delegation of Power / Duty	Nil	Nil	
Disclosure of Interest	Nil	Nil	
Disposal of Property	Nil	Nil	
Elections	Nil	Nil	
Finance	Nil	Nil	

Integrated Planning and Reporting	N/A	1	The City has not developed a Workforce Plan (Question 7)
Local Government Employees	Nil	Nil	
Official Conduct	Nil	Nil	
Tenders for Providing Goods and Services	1	Nil	

8. Recommendations

1. The City reviews the draft 2019 CAR and uses this information to finalise the online 2019 CAR.
2. The City considers implementing process changes to address issues identified in this report



David Baker
14 January 2020