



# Meeting attachments

Audit and Risk

Management Committee

Wednesday 15 February 2023- 5.30pm

**Meeting attachments – Audit and Risk Management Committee  
15 February 2023**

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**ARMC2302-1 PURCHASING POLICY EXEMPTIONS SEPTEMBER TO DECEMBER 2022**

**PURCHASING POLICY EXEMPTIONS - September to December 2022**

POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
<b>\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd</b>	Specialist Consultant Advice	MPS UNIT TRUST	Continuation of Water treatment maintenance for the period 01/08/2022 - 31/12/2022 due to this service no longer in Defect Liability Period as of July 2022.	5 Months	\$2,358.00	12-Sep-22	Director Infrastructure
<b>\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd</b>	Specialist Consultant Advice	Matrix GE Pty Ltd	<p>Our existing supplier of cash services to our outer locations has very suddenly withdrawn service from delivering large volumes of cash to the Depot to support the Containers for Change program.</p> <p>Cash supply is an essential service, so given the urgent requirement to find an alternative supplier and the immateriality of the service cost, only one quote has been sought - being from the organisation the incumbent has been recommending to all of their customers for taking over this type of service.</p> <p>The existing contract with the incumbent has 12 months to run and the incumbent will continue to provide the entire range of services with the exception of the Depot cash supply. The quote from Matrix for the Depot cash supply is \$2,990 for 12 months which will take us to end of existing contract with the incumbent at which time the entire suite of services will be put out for contract. Note that the quote from Matrix is less than that which we are currently paying the incumbent, so overall there will be a minor saving.</p>	12 Months	\$2,990.00	17-Oct-22	Director City Business



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POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
<p><b>\$2,000-\$9,999</b> Request 2 Quotes Min. 1 written quote rec'd</p>	Specialist Consultant Advice	Josh Byrne & Associates	<p>By way of background, the city previously undertook the development of concept drawings for Nannine Commons (the old Fremantle Men's Shed site) which is the remaining piece of public space in the WGV development by LandCorp however the WGV Precinct Group have now specifically requested that Josh Byrne &amp; Associates provide a community consultation session and develop concept drawings for Nannine Commons as this consultant was the original landscape architect for this development and the community wishes to have continuity of design.</p> <p>Therefore, only a single quotation has been sought. The quotation is based on hours and the consultants' rates are well within or slightly below industry standard.</p>	3 Months	\$6,700.00	19-Oct-22	Director Infrastructure
<p><b>\$2,000-\$9,999</b> Request 2 Quotes Min. 1 written quote rec'd</p>	Sole Source of Supply	Mincad Systems Pty Ltd trading as Pavement Science	<p>Circlly is the only software available for pavement design in the market. It's an industry standard to use this software when designing road pavement. We subscribed to this software last year, this is just a renewal of the service.</p> <p>The benefits of having this software are listed below:</p> <ul style="list-style-type: none"> <li>-Allow the design team to carry out pavement design internally, in as many locations as we want;</li> <li>-Save at least \$10,000 on consulting fees, for MRRG funding submission and other pavement consulting works;</li> <li>-The flexibility to check other consultants' work, and reject the treatments that are not suitable for us.</li> </ul>	12 Months	\$2,800.00	1-Nov-22	Director Infrastructure



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<b>\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd</b>	Specialist Consultant Advice	Capital House Australasia	Capital House undertook the original design for structural changes to Westgate Mall awnings. We have now requested a change to the design as a result of increasing the scope. It is appropriate that Capital House undertake the additional design and update their existing drawings.	6 Months	\$2,850.00	8-Dec-22	Director Infrastructure
<b>\$2,000-\$9,999 Request 2 Quotes Min. 1 written quote rec'd</b>	Artist Exemption	Banjo Lucia	Banjo is a local Western Australian musician on the rise. She is a solo female vocalist and keys player who has been personally approved by Sharon Van Etten to support her. This fee is industry standard for music events of this size and prominence. Her fee is all inclusive of transport and backline.	One-Off	\$8,000.00	13-Dec-22	Director Community Development

**Total Exemptions: \$2,000-\$9,999**

**\$25,698.00**

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POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Sole Source of Supply	Jasmine Togo-Brisby	The commission project is being supported financially by the Perth Festival as part of a collaborative project between the Fremantle Arts Centre and the Perth Festival for the 2023 season.	9 months	\$20,000.00	07-Sep-22	Director Community Development
<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Original Equipment Manufacturer (OEM)	Metrocount	Cost for annual renewal of the online platform for accessing uploaded traffic and bike data as well as cost for 3 x bike monitoring & 1 x vehicle monitoring site in Fremantle. The online service has incorporated all uploaded data sets (historic data). Exemption is required as the equipment and software can all be replaced with a competitor however doing so is not cost effective, requires learning of a new software platform and creates a division in our existing data set (2 different manufacturers do not use a common output or input formats).An extended contract is not available. Yearly renewal the only option currently.	12 Months	\$17,976.00	8-Sep-22	Director Infrastructure
<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Professional / LG Membership	Alinta Energy	The original supply of gas during construction period at the Walyalup Civic Centre was supplied by Alinta Energy. The gas supply remained in place after the construction period, however, gas supply has since gone out for Tender and has recently been awarded to Kleenheat Gas. During the transition phase, Alinta Energy supplied gas for the period 1.7.2022 to 15.08.2022.	1-2 months (July-Aug 2022)	\$11,395.00	15-Sep-22	Director Infrastructure



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<p><b>\$10,000-\$49,999</b> Request 3 Quotes Min. 2 written quotes rec'd</p>	<p>Original Equipment Manufacturer (OEM)</p>	<p>Normag Pty Ltd</p>	<p>Paving has been installed by a developer to part of Westgate Mall. To ensure we have matching pavers to the rest of the Mall it is intended to purchase sufficient pavers to complete the area and store ready for installation at a later date. The City have received a quotation for the supply of the pavers from the paving contractor which undertook the developers work, this has been assessed by the engineering team and determined as value for Money.</p>	<p>2 Months</p>	<p>\$21,371.00</p>	<p>21-Sep-22</p>	<p>Director Infrastructure</p>
<p><b>\$10,000-\$49,999</b> Request 3 Quotes Min. 2 written quotes rec'd</p>	<p>Specialist Consultant Advice</p>	<p>BMT Australia Pty Ltd</p>	<p>A competitive procurement process compliant with the City's Procurement Policy was undertaken in February 2022 to select a consultant for the development and implement the coastal monitoring program. An RFQ was sent to three suppliers, Cardno, M P Rogers &amp; Associates and BMT Commercial Australia. BMT offered a good response demonstrating the experience, skills and understanding to undertake the works. They also offered the best value proposal to the City. The term of the contract included an initial period from 1 March to finish in June 2022, with the two further one year extension options to be awarded upon confirmation of budget. The reason the available extension options were not executed before expiry of the initial term of the contract in June 2022, is that funding for the program was uncertain at the time, with the CAP Grant funding only being awarded on 5 September 2022.</p>	<p>12 months with possibility to extend for an additional 12 months</p>	<p>\$45,000.00</p>	<p>28-Sep-22</p>	<p>Director Infrastructure</p>



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<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Specialist Consultant Advice	LG Connect	Support, assistance and trouble shooting with the implementation of Underground Power Project (UGP) in Tech 1. This knowledge does not exist in the IT Support team. Underground power project commenced prior to this financial year, but issues encountered with on-charging via Rates could not be anticipated. Technical skills in T1 Property & Rating not available in house. Limited availability in the market for this service and project undertaken with this consultant, who has prior experience with UGP billing through other Councils.	One-Off	\$15,000.00	07-Oct-22	Director City Business
<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Specialist Consultant Advice	Western Heritage Trust	Area 11 at Arthur Head (under the gun platform) is seriously eroded and has a high risk of failure. Remedial works need to be undertaken urgently to mitigate potential failure.	One-Off	\$12,500.00	12-Oct-22	Director Infrastructure
<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Specialist Consultant Advice	Eon Protection	Eon Protection have been supplying a static security guard service for the WCC Ground Floor and Library areas for the period 16/09/2022 - 16/10/2022. ELT has given approval to extend the service for the period 17/10/2022 - 31/12/2022.	3 Months	\$39,568.22	13-Oct-22	Director Infrastructure
<b>\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd</b>	Professional / LG Membership	Alinta Energy	The original supply of gas during construction period at the Walyalup Civic Centre was supplied by Alinta Energy. The gas supply remained in place after the construction period, however, gas supply has since gone out for Tender and has recently been awarded to Kleenheat Gas. During the transition phase, Alinta Energy supplied gas for the period 09.05.2022 to 15.08.2022.	2 Months (May to Aug 22)	\$11,395.91	11-Nov-22	Director Infrastructure



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<p><b>\$10,000-\$49,999</b>  <b>Request 3 Quotes</b>  <b>Min. 2 written quotes</b>  <b>rec'd</b></p>	<p>Original Equipment Manufacturer (OEM)</p>	<p>Brightly Software</p>	<p>Assetic (MyData) has been utilised as the City's asset management system since 2012. It is unknown whether a contract was entered into between the City and Assetic (formally prior to being bought out by Brightly Software) previously. Assetic have been paid annually via a subscription for over 10 years despite no evidence of a contract. Currently, Assetic holds all of the City's asset management data on a month by month arrangement. Going to tender in the short term for a new system to establish a contract comes at great risk with a lot of planning and resources required. Currently, Asset Management cannot process the yearly subscription fee until a procurement exemption is undertaken as advised by IBS. Asset Management have met with procurement who informed that they would support this exemption given the unique circumstances and basis that Assetic holds all of the City's asset data.</p>	<p>1 year (expiry 30 June 2023)</p>	<p>\$44,940.50</p>	<p>15-Nov-22</p>	<p>Director Infrastructure</p>



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\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Sole Source of Supply	Karla Hart	<p>Karla Hart, winner of the 2021 Western Australian of the Year Aboriginal Award, is a recognised leader in the local Noongar arts community. She is a highly regarded artist, dancer, film producer and creative producer, who has delivered multiple projects, including many successful Wardarnji events, for the local community. Karla has a longstanding relationship with the City of Fremantle as the artistic director of Noongar arts and culture celebration Wardarnji.</p> <p>Wardarnji is a large event requiring huge amounts of cultural leadership and artistic vision. Karla's role as creative producer of Wardarnji is endorsed by the Nyoongar Community.</p> <p>Karla engaging all the participating artists directly rather than the city ensures prompt payment and appropriate negotiation culturally.</p>	10 Business Days	\$33,000.00	16-Nov-22	Director Community Development
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Original Equipment Manufacturer (OEM)	Wrightway Products	Equipment (bin tipper) is already on-site providing services - critical to CFC operations. This is a specialised piece of equipment that can only be hired from this supplier (east coast supplier). Purchase options are available in W.A.	12 Months	\$12,000.00	30-Nov-22	Director Infrastructure



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\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Specialist Consultant Advice	Kleenit Pty Ltd	in agreement with the incumbent contractor to extend the existing contract by 3 months with the same terms and conditions to enable a competitive tender for a 3 year plus 1 year plus 1 year contract to be put in place. Advice has been taken from procurement and the manager of finance who have confirmed that this extension can be made.	3 Months	\$30,000.00	1-Dec-22	Director Infrastructure
\$10,000-\$49,999 Request 3 Quotes Min. 2 written quotes rec'd	Artist Exemption	Shaw, Nanette	The artist was involved in the collaborative commission project and the subsequent touring component of in Cahoots. Auntie Nannette provided a work that she made as a loan for the touring exhibition	One-Off	\$14,573.00	9-Dec-22	Director Community Development
			<b>Total Exemptions: \$10,000-\$49,999</b>		<b>\$328,719.63</b>		



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<p>\$50,000-\$249,999 Formal RFQ Min. 3 written quotes rec'd</p>	<p>Specialist Consultant Advice</p>	<p>Uniting Global Pty Ltd</p>	<p>Public toilet cleaning and opening and closing - the current contractor's staff (Bellrock) are not attending site at all and efforts to contact the company (other than local supervisory staff) have to date failed. The local staff claim they have not been paid for 3 weeks by the company, the City has made all relevant payments to the contractor.</p> <p>The operation of the city's public toilets are deemed essential and urgent replacement is required. Attending site at all and efforts to contact the company (other than local supervisory staff) have to date failed. The local staff claim they have not been paid for 3 weeks by the company, the City has made all relevant payments to the contractor.</p> <p>The operation of the city's public toilets are deemed essential and urgent replacement of supplier is required.</p>	<p>1 Month</p>	<p>\$65,600.00</p>	<p>30-Sep-22</p>	<p><b>Director Infrastructure</b></p>



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\$50,000-\$249,999 Formal RFQ Min. 3 written quotes rec'd	Specialist Consultant Advice	BMT Australia Pty Ltd	A competitive procurement process compliant with the City's Procurement Policy was undertaken in February 2022 to select a consultant for the development and implement the coastal monitoring program. An RFQ was sent to three suppliers, Cardno, M P Rogers & Associates and BMT Commercial Australia. BMT offered a good response demonstrating the experience, skills and understanding to undertake the works. They also offered the best value proposal to the City. The term of the contract included an initial period from 1 March to finish in June 2022, with the two further one year extension options to be awarded upon confirmation of budget. The reason the available extension options were not executed before expiry of the initial term of the contract in June 2022, is that funding for the program was uncertain at the time, with the CAP Grant funding only being awarded on 5 September 2022.	12 Months	\$125,000.00	11-Oct-22	Director Infrastructure
\$50,000-\$249,999 Formal RFQ Min. 3 written quotes rec'd	Artist Exemption	Atong Atem	This purchasing policy exemption request is to cover accommodation in Fremantle for the duration of FAC Perth Festival exhibiting/ presenting artists stay. Arts Centre staff will secure the accommodation on behalf of the visiting artists and budget has been set aside in the project spend allocation for this purpose.	One-Off	\$81,045.00	12-Dec-22	Director Community Development
\$50,000-\$249,999 Formal RFQ Min. 3 written quotes rec'd	Artist Exemption	Hayley Miller Baker	This purchasing policy exemption request is to cover accommodation in Fremantle for the duration of FAC Perth Festival exhibiting/presenting artists stay. Arts Centre staff will secure the accommodation on behalf of the visiting artists and budget has been set aside in the project spend allocation for this purpose.	One-Off	\$81,045.00	12-Dec-22	Director Community Development



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POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
\$50,000-\$249,999 Formal RFQ Min. 3 written quotes rec'd	Artist Exemption	Jasmine Togo Brisby	This purchasing policy exemption request is to cover accommodation in Fremantle for the duration of FAC Perth Festival exhibiting/presenting artists stay. arts centre staff will secure the accommodation on behalf of the visiting artists and budget has been set aside for this purpose. Travel expense allotments: Jasmine Togo-Brisby: \$5000.00	One-Off	\$81,045.00	12-Dec-22	Director Community Development
			<b>Total Exemptions: \$50,000-\$149,999</b>		<b>\$433,735.00</b>		



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POLICY EXEMPTION	TYPE OF EXEMPTION	SUPPLIER	REASON FOR EXEMPTION	LENGTH OF CONTRACT	TOTAL VALUE	DATE APPROVED	APPROVING AUTHORITY
>\$250,000 Formal RFT Tender Process	Specialist Consultant Advice	BMT Australia Pty Ltd	The awarded contract was due to expire on 30 June 2022 or when the project was completed, whichever was the soonest, to an estimated contract value of \$232,000 including GST. The reason for this request is that the Port Beach coastal adaptation project has been delayed due to an extension of the timeframe for the dredging works because of the specialist vessel's availability around other commitments. Furthermore, award of a further Hotspot Coastal Adaptation and Protection (H-CAP) Major Project Fund grant in September 2022 has increased the scope of works for the project.		\$260,000	26-Oct-22	Director Infrastructure
>\$250,000 Formal RFT Tender Process	Specialist Consultant Advice	MP Rogers & Associates	We are seeking an exemption for purchasing thresholds of specialist consultancy services, as per Purchasing Policy, to continue the engagement of MRA to provide project management services until the Port Beach coastal adaptation project has been completed. The reason for this request is that completion of the Port Beach coastal adaptation project has been delayed due to an extension of the timeframe for the dredging works because of the specialist vessel's availability around other commitments. Furthermore, award of a further Hotspot Coastal Adaptation and Protection (H-CAP) Major Project Fund grant in September 2022 has increased the scope of works for the project. This has increased the number of hours required for project management to complete delivery. The current estimated contract value to completion of the project is \$323,861, but further changes in scope or in the timeline of delivery, such as those described earlier, could increase it further.	Until Completion	\$323,862.00	1-Dec-22	Director Infrastructure



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			<b>Total Exemptions: \$50,000-\$149,999</b>		<b>\$583,862.00</b>		
			<b>TOTAL EXEMPTIONS</b>		<b>\$1,372,014.63</b>		
				<b>September 2022</b>	<b>October 2022</b>	<b>November 2022</b>	<b>December 2022</b>
			<b>Artist Exemption</b>				<b>\$265,708.00</b>
			<b>Original Equipment Manufacturer (OEM)</b>	<b>\$39,347.00</b>		<b>\$56,940.50</b>	
			<b>Sole Source of Supply</b>	<b>\$20,000.00</b>		<b>\$35,800.00</b>	
			<b>Specialist Consultant Advice</b>	<b>\$112,958.00</b>	<b>\$461,758.22</b>		<b>\$356,712.00</b>
			<b>Professional / LG Membership</b>	<b>\$1,395.00</b>		<b>\$11,395.91</b>	
				<b>\$183,700.00</b>	<b>\$461,758.22</b>	<b>\$104,136.41</b>	<b>\$622,420.00</b>



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**ARMC2302-3      REVIEW OF SYSTEMS AND PROCEDURES BY THE CHIEF EXECUTIVE OFFICER REQUIRED BY REGULATION 17 – RISK MANAGEMENT**



**City of Fremantle**  
**CEO’s Triennial Review of Systems and Procedures**  
Report  
December 2022

Reference	
Version	1.0
Date of Final Report	6/1/2023

Conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*

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## Executive Summary

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In accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996* as stated below, the City of Fremantle's Chief Executive Officer (CEO) has completed the required triennial Systems and Procedures Review.

The City of Fremantle ('the City') engaged Quantum Assurance to complete the Systems and Procedures Review on behalf of the CEO.

This report presents the results of the CEO's triennial review. The CEO may now submit this report to the Audit and Risk Management Committee (ARMC).

### **Objective**

In accordance with Regulation 17, the objective of the CEO's triennial review was to assesses the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance.

The review objectives were to:

- Assess the adequacy of risk management policies and procedures.
- Assess the adequacy and effectiveness of internal controls and procedures.
- Assess the adequacy of segregation of duties.
- Assess compliance with legislation.
- Assess the adequacy and effectiveness of fraud mitigation controls.
- Ascertain the status of any previous audit and review recommendations.

### **Summary of Findings**

At the City of Fremantle appropriate systems and procedures are in place, which if operating will ensure effective:

- Risk management.
- Internal controls; and
- Legislative compliance.

A key issue currently facing the City is that due to staff vacancy levels staff may not have the capacity to meet the requirements set in Council and Administrative Policies and in the supporting procedures. This matter was reported to Council through the Audit and Risk Management Committee as an 'Emerging Issue'. This means that this matter will now be formally monitored.

As part of the review, recommendations for improvement were noted in each of the areas: Risk Management; Internal Controls and Legislative Compliance. The recommendations include endorsing the timely progression of a range of improvement activities already in progress at the City.

### **Recommendations**

The recommendations are provided in the Appendix in detail as they relate to specific criteria. Broadly, the recommendations relate to:

- The timely roll out and actioning against the new Risk Management Framework (RMF). This should trigger a review of the Corporate Risk Register and Emerging Issues report as the content referenced relate more to individual issues rather than what should be defined as a corporate risk.

- As the new RMF is bedded down, consider seeking independent assurance that the controls stated for key/critical risk are operating as described. Thus, providing comfort on the correctness of the assessed residual risk level. This is a function which can be carried out by an internal auditor.
- The Administrative Policy - Internal Review outlines the City's audit coverage. This Policy was scheduled for review in September 2022. It is timely to consider if the City would now benefit from an in-house or contracted internal audit function to strengthen the City's assurance oversight.
- An annual review, update and testing of all documents (Business Incident Management Plan, Business Continuity Plan, Business Impact Assessment) supporting the City's ability to be business ready when faced with critical disasters/ high or extreme risk events.
- The timely roll out across the City of newly developed Fraud and Control Framework, including periodic reporting to Executive Leadership Team (ELT) on fraud/misconduct matters and submitting the annual Public Sector Commission Integrity report to ELT for formal noting. The Governance Team could assist with assessing the level of residual fraud risk for key areas traditionally viewed as high risk from a fraud perspective. For example: cash handling, suppliers' data management, bank accounts changes, inventory, payroll etc. The outcome and any recommendations of these Fraud Risk Assessments should be reported to ELT and captured in the Audit Actions Register for tracking.
- Introducing a Whistleblower hotline to assist officers who wish to notify of suspected fraud or misconduct, to enhance the delivery of the Fraud and Control framework.
- Amending the City's Procurement Risk Management Procedure to require suppliers to sign that they will operate ethically and in a socially sustainable way.
- Credit card approval: The CEO should approve the Directors' credit card claims, with a Director to approve the CEO's.

*The detailed findings and recommendations are provided in Appendix 1.*

We appreciate the assistance of the City's management and staff in completing this review. If you have any queries on this report, or if we can provide any further assistance, please contact myself or Karen Bateman, Senior Manager and Principal – Governance.

**QUANTUM ASSURANCE**



**GEOFF WHITE**  
**DIRECTOR**

6 January 2023

## 1. Detailed Report

### 1.1 Introduction

In accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996* as stated below, the City of Fremantle's Chief Executive Officer (CEO) has completed the required triennial Systems and Procedures Review.

#### ***WA Local Government (Audit) Regulations 1996***

*Regulation 17. CEO to review certain systems and procedures*

- 1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:*
  - a) *risk management;*
  - b) *internal control; and*
  - c) *legislative compliance.*
- 2) *The review may relate to any or all of the matters referred to in sub regulation(1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- 3) *The CEO is to report to the audit committee the results of that review.*

The City of Fremantle ('the City') engaged Quantum Assurance to complete the Systems and Procedures Review on behalf of the CEO.

This report presents the results of the CEO's triennial review. The CEO may now submit this report to the Audit and Risk Management Committee (ARMC).

As required under *WA Local Government (Audit) Regulations 1996: Regulation 16(c)*, the ARMC is to review the report provided by the CEO, report the results to Council and to give a copy of the CEO's report to Council.

### 1.2 Objective and Scope

In accordance with Regulation 17, the objective of the CEO's triennial review was to assess the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance.

The review objectives were to:

- Assess the adequacy of risk management policies and procedures.
- Assess the adequacy and effectiveness of internal controls and procedures.
- Assess the adequacy of segregation of duties.
- Assess compliance with legislation.
- Assess the adequacy and effectiveness of fraud mitigation controls.
- Ascertain the status of any previous audit and review recommendations.

### 1.3 Approach

The approach included.

- Discussing the scope of the the CEO's triennial review with City management to obtain input on any specific issues to be included and to tailor the approach.
- Reviewing the status of any previous audit recommendations relevant to prior Regulation 17 reviews, previous financial management reviews and external audits.
- Developing the Regulation 17 Questionnaire, for relevant officers to complete. This Questionnaire was created based on the criteria provided in the (then) *Department of Local Government's' Operational Guideline 9*. Assessing the criteria ensures the review process could properly assess the appropriateness of the systems and processes relating to Risk Management, Internal Controls and Legislative Compliance.
- Sending the Regulation 17 Questionnaire to relevant officers, for them to complete.
- Reviewing key documents to develop an understanding of the relevant risk management, financial management, internal controls and legislative systems practices and supporting mechanisms.
- Interviews with relevant managers and staff.
- Discussing any findings with line management on completion of the field work.
- Carrying out the analysis of all information provided and updating the Regulation 17 Questionnaire.
- Submitting the completed Regulation 17 Questionnaire (refer Appendix 1) to the Governance officer for distribution and review by relevant officers.
- Preparing the draft report, including the Regulation 17 Questionnaire.
- Submitting a draft and then finalising the report to the Acting Manager Governance and relevant management, including management responses.
- Holding a closing meeting with the CEO and Acting Manager, Governance.
- Through the Acting Manager Governance submitting a final report to the CEO for submission to the Audit and Risk Management Governance Committee (ARMC).

### 1.4 Staff Interviewed

During the review, interviews were held with the following officers:

Manager Facilities & Environmental Management - Tony Strickland
Manager Financial Services - Kylie Lamb Finance Team Leader - Chamara Walpola
Manager Field Services - Mark Donnelly
Manager Governance (acting) - Melody Foster Manager Governance (former) – Charlie Clarke Governance Officer - Anne-Marie Barlett
Director Infrastructure & Projects - Graham Tattersall
Manager Information Technology - Joel Hurst
Manager People and Culture - Mieke Lopez

## 1.5 Risk Management

Risk management systems and programs are a key expression of the City's attitude to effective controls. The CEO's triennial review considered the appropriateness and effectiveness of the City's risk management systems and programs and found:

- The City has a cohesive risk management governance system in place. Formally, this comprises of a policy, framework and guidance notes. There is a long-term strategy of continuous improvement.
- There is a program to regularly review strategic and operational risks.
- Where possible, risks are mitigated by insurance.
- Risks relating to fraud and misconduct are mitigated through the Code of Conduct, policies and Public Interest Disclosure (PID) requirements, etc.
- There are formal reporting channels for any matters arising from these processes.
- The City has a Business Incident & Business Continuity Management System Framework. This Framework is supported by a number of informing documents: the Business Incident Management Plan (used in conjunction with the Local Emergency Management Plan), a Business Continuity Plan, a Pandemic Business Continuity Plan and an IT Disaster Recovery Plan.

## 1.6 Internal Control

Internal control is a key component of the City's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review considered the effectiveness of the City's control framework and found:

- The City has systems and procedures in place to ensure an appropriate control environment. For example, formal processes relating to the segregation of duties; information technology system controls; management reporting, etc.
- There is an external statutory audit and statutory/regulatory audits within select business units, with timely action taken to address and recommendations.
- Formal internal review mechanisms are designed to identify any emerging control issues.

## 1.7 Legislative Compliance

The compliance programs of the City are a strong indication of attitude towards meeting legislative requirements. The CEO's triennial review considered the effectiveness of the City's compliance programs and found:

- The City has established a number of compliance mechanisms, practices and procedures to meet its legislative obligations.
- The governance program in place, includes monitoring and reporting on legislative compliance.
- The City's governance and compliance processes provide mechanisms relating to the disclosure of interest and Public Interest Disclosure (PID).
- Discrete sub-programs within the City also carry out formal compliance reviews as required.

**The detailed findings and recommendations for each of the above areas are provided in Appendix 1.**

## 1.8 Limitations of this report

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected. The conclusions expressed in this report have been formed on this basis.

A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

This report has been prepared for the City of Fremantle for the purpose of assisting the City meet the compliance requirements of Regulation 17 of the *Local Government (Audit) Regulations 1996* and may not be suitable for another purpose. We understand this report will be distributed to the Audit and Risk Committee.

We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the City of Fremantle and Council or for any purpose other than that for which it was prepared.

### ***Statement of Independence***

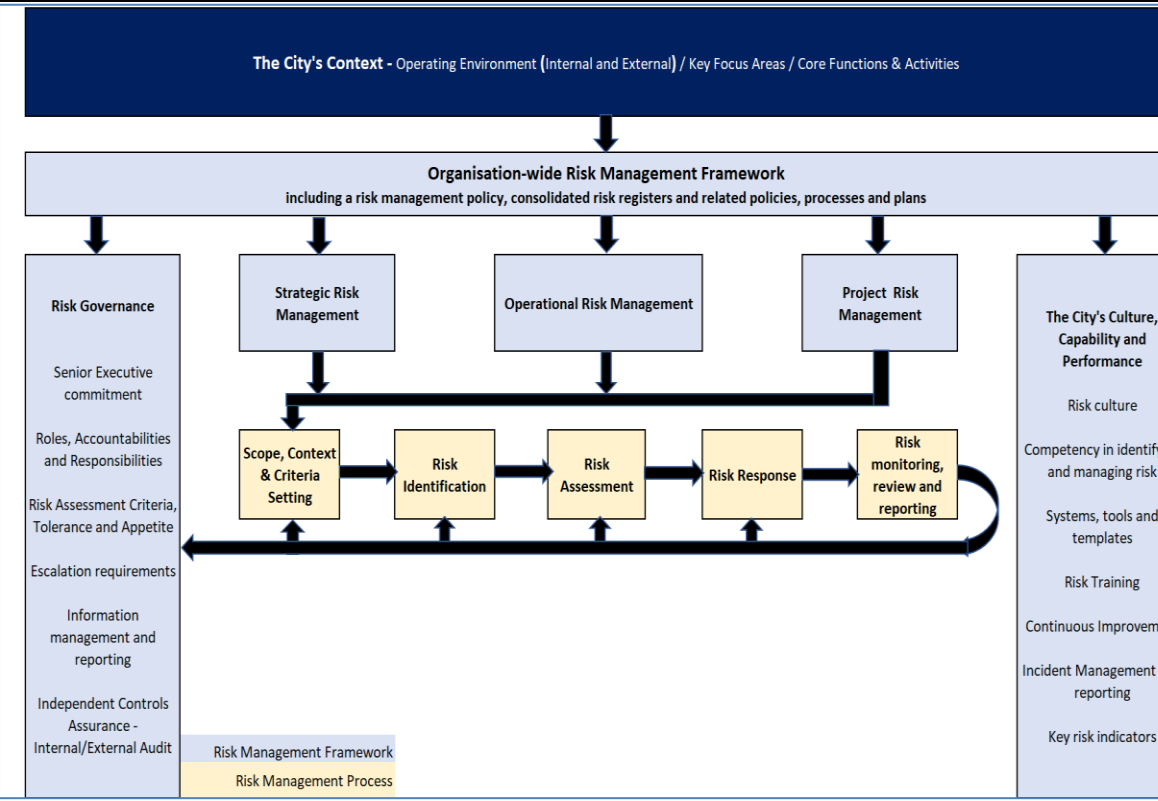
We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of the *Australian Standard on Quality Control* to maintain a comprehensive system of quality control.

## Appendix 1 – Detailed Findings and Recommendations

### Risk Management

Risk management systems and programs are a key expression of the City of Fremantle's (the City') attitude to effective controls. The CEO's triennial review (as per Section 17 of the *Local Government (Audit) Regulations 1996*) considers the appropriateness and effectiveness of the City's risk management systems and programs in relation to the following criteria:

Criteria	Responsibility for Program / Sub Program	Risk management system and program	Supporting References
1 An effective risk management system and material operating risks are appropriately considered.	A/Manager Governance	<b>Overview</b> The City strives for integrated risk management, and to that end the Risk Management Framework (RMF) consists of the following key components:	Risk Management Policy  Newly adopted RMF  Procedure for Assessing Risk in Council Papers

Criteria	Responsibility for Program / Sub Program	Risk management system and program	Supporting References
		 <p><i>Risk Management Policy:</i> a high level Risk Management Policy is in place with the purpose of enabling the implementation of sound risk management practices and procedures across the City, which are understood by staff. This Policy also supports the integration of risk management practices into the City's strategic initiatives and day to day operational business processes.</p> <p><i>Risk management framework (RMF):</i> The RMF draws together the Risk Management Policy, the risk management processes and practices. It outlines the structure for risk management, key roles and responsibilities, and core risk management tools and processes. Another key component of the RMF is the definition of risk appetite and the identification of accountable officers required to sign off on risks. This also identifies the risk reporting structure and the frequency of reporting.</p>	

Criteria	Responsibility for Program / Sub Program	Risk management system and program	Supporting References
		<p><b>Risk Management Framework</b></p> <p>The City has recently refreshed its RMF, which sets the basis for integrated risk activities throughout the City:</p> <p><i>“Risk management at the City is not considered a stand-alone activity that is separate from other activities and processes. It is evident within the papers prepared for Elected Members by Management, and papers prepared for Management by staff. As such, it is a demonstrable part of the City's planning and delivery processes. ”</i></p> <p>The implementation of the RMF, adopted in November 2021 and now on the City's website, will provide for a fully comprehensive effective risk management system. The RMF also provides a risk appetite statement and a way to move forward to assess opportunities (the positive) in addition to risk (the negative) – these are leading practice aspects of risk management, which only a few entities have yet been able to encapsulate. The City is to be commended on this.</p> <p>The delivery of the RMF will provide the City with an effective risk management system, where material operating risks are appropriately considered. The RMF also provides for an integrated risk management covering strategic, operational and projects risks, including:</p> <ul style="list-style-type: none"> <li>○ The Executive Leadership Team (ELT) maintain a Corporate Risk Register.</li> <li>○ There is a supplementary Information Technology Risk Register.</li> <li>○ Project risks are maintained and monitored for key projects.</li> </ul> <p><b>Emerging issues</b></p> <p>Currently management, through ELT, report to the Audit and Risk Management Committee (ARMC) on Emerging Issues and these are drawn from the City's Corporate Risk Register for all high risk issues. These are monitored until the issue is either resolved or the level reduced to an acceptable lower level.</p> <p><b>Council papers</b></p> <p>Council report templates will be amended (following the delivery of training) to include an assessment of the risk, opportunities, and options available to Council. The assessment will consider:</p> <ul style="list-style-type: none"> <li>○ What is the context: Inherent /Residual /Post action.</li> <li>○ The blend of consequence and likelihood.</li> </ul>	

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
			<ul style="list-style-type: none"> <li>○ The control rating.</li> <li>○ The final risk rating.</li> </ul> <p><b><u>Recommendation 1 – Rollout the Risk Management Framework</u></b>  <i>Ensure the timely roll out and actioning against the new RMF with a focus on reviewing the Corporate Risk Register. This is commended, as currently many of the issues are subsets of causes that could be grouped as one major risk. Noting, that often the Corporate Risk Register and Issues report content is referencing an issue rather than a corporate risk.</i></p>	
2	A current and effective business continuity plan which is tested from time to time.	A/Manager Governance	<p><u>City's Business Incident &amp; Business Continuity Management System Framework</u></p>	<p>Business Incident Management Plan</p> <p>Business Continuity Plan (2018)</p> <p>Pandemic - Business Continuity Plan</p>

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
			<p>The Business Incident Management Plan (August 2018) is used in conjunction with the Local Emergency Management Plan. The Business Incident Management Plan should be reviewed annually. It was last updated in August 2018.</p> <p>The City's Business Continuity Plan (August 2018) focuses on the City's most critical services and can be found in the document management system. The City's Business Continuity Plan should be reviewed annually, as specified in the document. The Business Continuity Plan was released in August 2018 and has not since been updated. The document currently contains names of employees who no longer work for the City.</p> <p>A review of the City's business continuity management was conducted in 2018 by an external consultant. This review is summarised in the Business Impact Analysis. The Business Impact Analysis should be reviewed and updated annually.</p> <p>The City also has a Pandemic Business Continuity Plan.</p> <p><b><u>Recommendation 2 – Review and Test Business Continuity Plan</u></b></p> <p><i>The Business Incident Management Plan, the Business Continuity Plan and the Business Impact Analysis should be reviewed annually.</i></p> <p><i>The Business Continuity Plan and should be reviewed, to ensure current and correct position titles. It is safer to reference positions rather than employee names, as these can often change</i></p> <p><i>The City should conduct a test of its Business Continuity Plan. This should be done annually and a range of scenarios test to ensure the City is fully prepared to deal with crises as they arise.</i></p>	
3	A current and effective business continuity plan (including IT disaster recovery) which is tested from time to time.	Manager Information Technology	<p>The City has a Business Continuity Plan which references the IT Disaster Recovery Plan. The City also has an IT Disaster Recovery Plan. The document does not contain the relevant adoption/approval dates or review dates.</p> <p>The City is currently constructing a new recovery site. When this is complete, an IT disaster recovery exercise will be carried out.</p> <p><b><u>Recommendation 3 – Update and Test IT Disaster Recovery Plan</u></b></p> <p><i>Perform a timely fall-over test of the IT Disaster Recovery Plan when the recovery site is built. Thereafter, this should be tested annually, and a range of scenarios tested to ensure the City is fully prepared to deal with crises as they arise.</i></p>	<p>Business Continuity Plan</p> <p>IT Disaster Recovery Plan</p> <p>Pandemic - Business Continuity Plan</p>

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
4	<p>Internal processes for determining and managing material operating risks in accordance with the City's identified tolerance for risk, particularly in the following areas:</p> <ul style="list-style-type: none"> <li>o Potential non-compliance with legislation, regulations and standards and the City's policies.</li> </ul>	<p>A/Manager Governance</p> <p>Manager People and Culture</p>	<p>a) <u>Potential non-compliance with legislation, regulations and standards and the City's policies</u></p> <p>The City's strategic and operational risks are assessed against the City's risk context, which comprises of the following consequence categories:</p> <ul style="list-style-type: none"> <li>o People.</li> <li>o Financial gain/saving.</li> <li>o Stakeholder &amp; Reputation.</li> <li>o Performance.</li> <li>o Legal &amp; Compliance.</li> <li>o Community &amp; Heritage.</li> <li>o Commercial/Economic.</li> </ul> <p>Each consequence category rating varies from 'Insignificant' (Positive or Negative) to 'Critical '(Positive or Negative)' depending on the severity of the impact. The RMF inclusion of criteria for risk /opportunities relating to consequences of 'legal and compliance' means that in applying the RMF risk appetite, such matters would be addressed.</p> <p>Overall, individual managers are responsible for monitoring legislative compliance within their team and addressing any issues identified. Where required, further training will be administered. The Governance Team is available to assist and advise in relation to legislative compliance, when requested.</p> <p>The relevant Manager is responsible for monitoring their team's activities for any non-compliances and to correct those situations (with assistance from the Governance Team as requested).</p>	<p>Procedure – Communicating legislative changes</p> <p>COFI Procedures</p> <p>ARMC TOR</p> <p>Fraud and Misconduct Control Policy</p> <p>Code of Conduct</p> <p>Corporate Project Management Framework and Procedure</p> <p>Administrative Policy - Managing Performance Policy</p> <p>Governance Induction</p>

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
	<ul style="list-style-type: none"> <li>○ Important accounting judgments or estimates that prove to be wrong.</li> </ul>	Manager Financial Services	<p>The current Terms of Reference for the Audit and Risk Management Committee (ARMC) allow for major legal cases to be brought before it.</p> <p>Also refer <i>Legislative Compliance criteria 1: Monitoring</i>.</p> <p><b><u>Recommendation 4 – Include non-compliance in reporting to the ARMC</u></b></p> <p><i>When it is time to review the ARMC's Terms of Reference (TOR), consideration should be given to including a provision (to the extent that it would not overlap the TOR for the Finance, Policy, Operations and Legislation Committee) to report to ARMC on "Potential non-compliance with legislation, regulations and standards and the City's policies".</i></p> <p>b) <u>Important accounting judgements or estimates that prove to be wrong</u></p> <p>The City has a formal month end process, which includes a review of budget versus actuals. Budget Officers meet with budget holders to discuss and explain any variances. Action is taken as required.</p> <p>Variances are reviewed by the Executive Leadership Team (ELT) as part of the Agenda Settlement process. All variances of budget to actual line items greater than 20% are explained in the Monthly reports to Council.</p> <p>Budget estimates are subject to regular review.</p> <p>The City is also subject to audit by the Office of the Auditor General (OAG). The annual external audit confirms accounting estimates/treatments are appropriate and compliant. Such matters would be addressed during the audit process.</p>	Manual  Project Management Procedure
	<ul style="list-style-type: none"> <li>○ Litigation and claims.</li> </ul>	CEO	<p>c) <u>Litigation and claims</u></p> <p>The City has comprehensive delegations for dealing with matters that require the City to take action against a party not complying with legislation (e.g., parking, building, or planning). However, there are no written procedures in place for dealing with claims or potential litigious matters against the City.</p> <p>When the City receives a threat of potential litigation, the City seeks advice from its insurer. If necessary, legal advice is sought from the relevant law firm via the City's panel of law firms.</p>	

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
	<ul style="list-style-type: none"> <li>○ Misconduct, fraud, and theft.</li> </ul>	<p>A/Manager Governance</p> <p>Manager People and Culture</p>	<p>A Governance procedure exists for updating the internal Legal Advice Register. The City has an Administration Policy for Seeking Legal Advice (CEO approved 31 March 2021, amended 14 October 2021).</p> <p>The City's Customer Service team has procedures in place to assist the customer service employees in ensuring all claims or potential litigious matters are sent to the relevant manager (e.g., The Insurance Handling Process and Customer Service Guidelines).</p> <p>Officers are encouraged to consult their supervisor regarding any contentious communications.</p> <p>d) <u>Misconduct, fraud, and theft</u></p> <p>Fraud, misconduct, and theft are covered in the Governance Induction and in the Code of Conduct.</p> <p>Where an allegation of misconduct, fraud or theft has been raised, an internal investigation is conducted and misconduct and/or disciplinary procedures are enacted as necessary. The City participates with the Public Sector Commission (PSC), reporting to the PSC annually on fraud and misconduct matters ('the PSC Integrity Survey').</p> <p>The City's Code of Conduct is incorporated into all new employees' training, who are required to sign off that they will comply with the obligations in the Code of Conduct. The Administrative Policy - Managing Performance Policy provides guidance. People and Culture are establishing a training and education program to strengthen 'appropriate behaviours'.</p> <p>COFI includes guidance on how to deal with suspected misconduct, fraud or theft and provides contact officers and access to training.</p> <p><b><u>Recommendation 5 – Strengthen the Fraud and Control Framework</u></b></p> <p>a) <i>Contractors providing services or goods to the City should be required to confirm that they will be ethical in their conduct with the City.</i></p> <p>b) <i>Include the recently developed Fraud and Control Framework in the Governance Induction Manual.</i></p> <p>c) <i>Endorse timely roll out across the City of the recently developed Fraud and Control Framework.</i></p> <p>d) <i>Consider installing an internal Whistleblower line for employees to access in the event of a suspected fraud or misconduct. This could be accessible through COFI and overseen by the Governance team.</i></p>	

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
	<ul style="list-style-type: none"> <li>○ Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health, and safety, and how they are managed by the City.</li> </ul>	CEO  Director Infrastructure & Project Delivery  Manager People and Culture	<p>e) <u>Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health, and safety, and how they are managed by the City.</u></p> <p>The City's RMF provides for integrated risk management, including strategic and governance risk, operational and project risk, as outlined at <i>RM1: An effective risk management system and material operating risks are appropriately considered</i>. Strategic and operational risks are to be reported upon quarterly. On an as-needs basis, the City has an "Emerging issues" reporting process and these are formally reported to ELT and Council.</p> <p>The City's Corporate Project Management Framework and Procedure is based on recognised industry methodologies which are designed to achieve high quality, consistent outcomes and protect the City from the risks associated with the delivery of projects. It is to be applied for all projects. Project risks are assessed by applying the City's risk criteria. Project risks are initially identified at Project Initiation and revisited through the project life. This includes a sign off by Procurement regarding contracting.</p> <p>The Occupational Health and Safety (OHS) system operates under the City's RMF and includes the identification, assessment and control of all Health and Safety risks. Such risks are assessed by applying the City's risk criteria. The City conducts regular inspections, audits, and reviews. Incident corrective actions are reported through various mechanisms and are presented monthly to the ELT.</p>	

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
5	Regular risk reports, which identify new risks, the status, and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated, and reported.	CEO	<p>The City has a layered risk reporting framework comprising:</p> <ul style="list-style-type: none"> <li>○ ARMC receive Emerging Issues reports. These go to each bi-monthly meeting, until such time as the issue is closed out.</li> <li>○ ELT: Each month receive Emerging Issues reports. These items are reported monthly until such time as they are closed out.</li> <li>○ The new RMF provides for Strategic risks to be reviewed by Council and Operational risks are reviewed by the CEO and ELT.</li> <li>○ Project risk: monitoring of these is the responsibility of the owner. There is to be upwards reporting as necessary, dependent on the magnitude of the risk.</li> <li>○ Work and Health &amp; Safety submit a monthly report to ELT highlighting any trends and noting any incidents.</li> </ul> <p>The RMF defines the risk appetite and the risk reporting structure including escalation requirements. Key components of the risk escalation and reporting structure include:</p> <ul style="list-style-type: none"> <li>○ Identification of accountable officers for each risk,</li> <li>○ Mitigation strategies for each risk (controls and treatment tasks)</li> <li>○ Reporting requirements and frequency of each risk level.</li> </ul> <p>The triennial Regulation 17 review includes commentary on the appropriateness /effectiveness of the City's Risk management systems and program.</p> <p><b><u>Recommendation 6 – Rollout the Risk Management Framework</u></b></p> <p>a) <i>When the Risk Management Framework (RMF) is rolled out, this should trigger a review of the Corporate Risk Register and Issues Reports, as the content is referencing the issue rather than a corporate risk.</i></p> <p>b) <i>To that end, revisit the Corporate Risk Register, as currently described. It is unusual for so many risks with a LOW residual risk rating. Consider re-assessing and potentially grouping the issues into one more holistic risk to the City.</i></p> <p>c) <i>As part of the RMF rollout, consider seeking independent assurance that the controls stated for key/critical risk are operating as described. Thus, providing comfort on the correctness of the assessed residual risk level. This is a function which can be carried out by an internal auditor.</i></p>	<p>ARMC reports June 2022 and August 2022</p> <p>Risk Management Framework</p>

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
6	Adequate processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.	Manager Financial Services	<p>The City carries a comprehensive suite of insurance policies with LGIS.</p> <p>All asset schedules are reviewed and updated annually. Building assets are formally revalued every 5 years.</p> <p>As part of the premium setting process LGIS takes into consideration the City's various risk management practices and its risk migration and contingency management practices.</p>	
7	An effective internal control system with management and internal and external auditors.	<p>Manager Financial Services</p> <p>A/Manager Governance</p> <p>CEO</p>	<p>The City has a formal review regime, comprising:</p> <ul style="list-style-type: none"> <li>○ OAG - external audit of financial statements and key performance indicators (June 2021 unqualified).</li> <li>○ OAG periodic performance audits.</li> <li>○ Annual Compliance Audit Return, carried out independently. For 2021, no material non-compliances were reported.</li> <li>○ Regulation 5 Financial Systems and Procedures, carried out independently. For 2020, no material control issues were raised.</li> <li>○ Regulation 17 Systems and Procedures, carried out independently. For 2018, 2019, 2020 no material control issues were raised.</li> </ul> <p>From these audits and reviews, a number of findings with recommendations were made. Governance manages the Audit Actions Register, where all findings with recommendations are recorded. These are monitored regularly, and the status reported to the ARMC. The recommendations are actioned in a timely manner.</p> <p><b><u>Recommendation 7 – Consider having an Internal Audit function</u></b></p> <p><i>The Administrative Policy - Internal Review outlines the above 'audit' coverage. It was scheduled for review in September 2022. In the review, it is timely to re-consider if the City would now benefit from an in-house auditor to strengthen the City's assurance functions. Such a function could be resourced internally either full time or part time. A part time role would then have capacity to assist with other duties, such as risk management activities. Alternatively, external providers could be engaged on an as-needs basis.</i></p>	<p>Administrative Policy -Internal Review</p> <p>Audit Actions Register</p> <p>Annual Compliance Audit Return 2021</p> <p>OAG Management Letter</p> <p>Regulation 5 Financial Systems and Procedures 2020</p> <p>Regulation 17 Systems and Procedure for 2018, 2019, 2020</p>

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
8	Management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk.	Manager Financial Services	<p>The City has a mature month end process, which should detect any unusual material transactions, including:</p> <ul style="list-style-type: none"> <li>○ On a monthly basis, Budget Officers meet with budget holders to discuss and explain and variances. Action is taken as required.</li> <li>○ ELT review a report of budget versus actual variances as part of the Agenda Settlement process. All variances of budget to actual line items greater than 10% are explained in the monthly reports to Council.</li> <li>○ There is a regulatory obligation to conduct a formal budget review.</li> <li>○ A debtors aging report is presented to the ARMC.</li> <li>○ The City uses an Emerging Issues report to report on any potential, material anomalies to Council.</li> </ul> <p>The City is working on developing a dashboard report, which will assist in highlighting potential unusual transactions.</p>	
9	A procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.	Manager Financial Services	<p>The City's Purchasing Policy and Procurement Risk Management Procedure focuses on the need for ethical practices and a high degree of integrity. Probity officers are used for high-risk procurement.</p> <p>The 2021 Compliance Audit Return and the OAG June 2021 Audit Opinion did not report any significant issues relating to probity or transparency, but did comment on exceptions relating to:</p> <ul style="list-style-type: none"> <li>○ Creating purchase orders post invoicing.</li> <li>○ Some instances when <i>Finance and General Regulation 11A (1) and (3)</i> regarding the \$250,000 need to call for contracts, was not met.</li> <li>○ Oversight issues regarding Wyalyup Civic Centre.</li> </ul> <p>The City is in the process of introducing monitoring controls to address these matters. This will include a regular report to users identifying anomalies and requiring action to prevent future recurrences.</p> <p>The City's annual Public Sector Commission (PSC) Integrity report for 2021 did not record any procurement integrity issues.</p>	<p>Purchasing Policy</p> <p>Procurement Risk Management Procedure</p>

Criteria		Responsibility for Program / Sub Program	Risk management system and program	Supporting References
			<p><b><u>Recommendation 8 – Strengthen Procurement Monitoring</u></b></p> <p>a) Consider amending the City's Procurement Risk Management Procedure to require suppliers to sign that they will operate ethically and in a socially sustainable way.</p> <p>b) Implement the proposed monitoring controls to address the issues regarding 'Creating purchase orders post invoicing' and the calling of tenders for contracts to suppliers above \$250,0000.</p>	
10.	Should the need arise, the Audit and Risk Committee meets periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the City's control environment.	<p>Manager Financial Services</p> <p>CEO</p>	<p>The OAG attended the ARMC meeting held on 16 June 2021 to discuss the previous year's financial statements and any issues the Committee would like the auditor to look into that year. The Auditor gave an overview of the issues facing audits for local government in general and spoke to some areas of relevance for the City.</p> <p>Regulatory reports arising from OAG - external audit, annual; Compliance Audit Return, Regulation 5 Financial Systems; and Procedures and Regulation 17 Systems and Procedures are submitted to ARMC in accordance with regulatory obligations. The ARMC may ask for clarification of any matters in these reports.</p> <p>Note: the City does not have an in-house internal audit function. Refer recommendation 7. <u>An effective internal control system with management and internal and external auditors.</u></p>	<p>Audit and Risk Management Meeting Standard</p> <p>(www.fremantle.wa.gov.au)</p>
11.	Fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and	<p>A/Manager Governance</p> <p>Manager Financial Services</p> <p>Manager People and Culture</p>	<p>The Fraud and Misconduct Policy was adopted by Council in August 2022. This is included in the Governance training program. This policy:</p> <ul style="list-style-type: none"> <li>o Assigns responsibilities to the operational areas for fraud and misconduct assessments.</li> <li>o Incidents arising are to be reported to the CEO or the Manager People and Culture.</li> </ul> <p><b><u>Recommendation 9 – Strengthen review of fraud and misconduct risks</u></b></p> <p>Consider:</p> <p>a) Periodic reporting to ELT on fraud/misconduct matters and submitting the annual Public Sector Commission Integrity report to ELT for formal noting.</p> <p>b) Governance to assess key areas traditionally viewed as high risk from a fraud perspective, in</p>	<p>Fraud and Misconduct Policy</p>

Criteria	Responsibility for Program / Sub Program	Risk management system and program	Supporting References
there is regular reporting and ongoing management of fraud and misconduct risks.		<p><i>relation to residual fraud risk. For example: cash handling, suppliers' data management, bank accounts changes, inventory, payroll etc. The outcome and any recommendations should be reported to ELT and captured in the Audit Action Log Register tracking.</i></p> <p><i>c) Including a high-level fraud/misconduct risk in the Corporate Risk register with the control effectiveness to be considered at a City-wide level in an annual review.</i></p> <p><i>d) The Fraud and Misconduct Policy references <u>an internal audit plan</u>, whereas as the City does not have such a function. The Policy requires amending.</i></p>	

## Internal Control

Internal control is a key component of the City's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review (as per Section 17 of the *Local Government (Audit) Regulations 1996*) considers the effectiveness of the City's control framework in relation to the following criteria:

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
1	Integrity and ethics	A/Manager Governance  Manager P&C	<p>The Employee Code of Conduct is currently under review.</p> <p>Under Policy (Governance), all employees are required to comply (and sign off) with the Code of Conduct, which calls for honesty and integrity, with a ZERO tolerance for fraud. Conflicts of Interest must be avoided or declared.</p> <p>Compliance with the City's Code of Conduct is a primary obligation of all employees. The Code of Conduct is provided to all new employees as part of the induction package and is also available on the City's Intranet and website. COFI provides on-line training, which all new starters must complete.</p> <p>Governance actively contributes to inductions for new employees with key messages of what the elements of good governance include and informing employees of their obligations, particularly around matters of ethics and integrity.</p> <p><b><u>Recommendation 10 – Ensure Governance has adequate resources</u></b>  <i>Given recent staffing changes in the Governance Team, ensure that sufficient Governance resources continue to be available to continue to conduct the Governance Training session for new starters.</i></p>	Employee code of conduct  Council Members, Committee members and candidates code of conduct.
2	Policies and Delegated Authority.	A/Manager Governance	<p>Delegated authority is reviewed by Council and the CEO annually in accordance with the <i>Local Government Act 1995</i>.</p> <p>A recent amendment to the City's City Document Management Administration Policy and Procedure has introduced a 4-year timeframe that policies must be reviewed in. A 4 yearly review will ensure that policies maintain currency with legislative requirements and city practices.</p> <p>The City is undertaking an organisation wide policy review, which will determine which existing</p>	Delegated Authority Review Procedure  Recent RODA Review report (Council and

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
			<p>policies are current, not relevant, require minor amendments or further comprehensive review. There are over 80 Council policies, only 9 of these remain as due for review within the established 4-year review period, Comparatively, this is a commendable position. Following completion of the Council Policy review, the City will commence a process to review and update the Administrative polices.</p> <p>The City has established a number of guiding principles for delegated authorities and Governance provides Delegation and Authorisation training.</p> <p>In May 2022 Council formally approved the annual review of Delegations and Authorisations.</p>	<p>CEO)</p> <p>City Document Management Admin Policy and Procedure</p>
3	Levels of Responsibilities and Authorities	<p>A/Manager Governance</p> <p>Manager P&amp;C</p>	<p>Powers and duties and associated responsibilities from a statutory point of view are defined by the City's Delegated Authority and Authorisations register</p> <p>The Governance Team has a process for authorising relevant officers, whereby authorised officers are issued with duly authorised authority cards.</p> <p>All roles are guided by a formal Position Description which sets out the position's responsibilities. As part of the new Starter process all managers define what level of access the position requires. This in turn is also reviewed and then 'signed off' under the IT Access Rules.</p> <p><i>Also refer Internal Control criteria 2: Policies and Delegated Authority.</i></p>	<p>Authorisations Register</p> <p>Procedure – Authorisations Review</p> <p>Procedure – Expenditure Review</p> <p>Example of CoA/Instrument of Appt email</p>
4	Audit practices	<p>Manager Financial Services</p> <p>A/Manager Governance</p>	<p>The City's audit practices are overseen by the ARMC.</p> <p>Auditing is conducted in line with legislative requirements and Administrative Policy -Internal Review 2019 - 2-21.</p> <p>Noting that the City does not have an in-house internal audit function.</p> <p><i>Refer recommendation at Risk Management criteria 7: An effective internal control system with management and internal and external auditors.</i></p>	

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
5	Information system access and security.	Manager Information Technology	<p>The City has adopted an Information Security Management Systems policy suite. This is based on <i>ISO/IEC 27001 (International Standard for Information Security)</i> This clearly outlines the IT security provisions in place. These provide the overarching settings to allow the City to manage risk associated with control and security for the IT system.</p> <p><i>Also refer Internal Control criteria 11: System Controls.</i></p>	<p>M-Files: 5422012</p> <p>Council Policy – IT Security Policy</p>
6	Management operating style.	Manager People and Culture	<p>The City's Code of Conduct defines the City's values. All employees sign off that they will comply with the Code.</p> <p>Managers are provided training on topics including our Supervision Support &amp; Achievements (SSA). Managers can also request role specific training to improve their operating style and capability. The SSA provides guidance and support to enable employees to overlay this with their training needs to meet the Code.</p> <p>The City conducts Engagement Surveys to track the organisation's culture.</p>	
7	Human resource management and practices.	Manager People and Culture	<p>An internal HR review (audit) has commenced. This was initiated due to a new Manager People and Culture joining the team, following the departure of the previous Manager and Director.</p> <p>The internal review is looking at policies and practices across the functional areas of HR including <b>recruitment and selection, onboarding and induction, performance management, learning and development</b>, employee wellness, exit management, and benefits. Health and safety are being reviewed separately.</p> <p>Once the City has information on potential functional improvements, People and Culture will also undertake a compliance review. For example, People and Culture has identified that the City has not historically captured certain information about labour hire workers and are reviewing how and why the City captures/destroys ID documents and how this can be done better. People and Culture intend to run some spot and sample audits of employee files once they have determined what is/is not required and how these items should be managed.</p> <p>People and Culture has already completed an initial review of the subjects highlighted above, with the others being scheduled before the end of 2022.</p>	

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
8	Delegation of Authority.	A/Manager Governance	Governance initiates the annual process to update the Delegated Authority. ELT then review the outcome, which Council and the CEO approves in accordance with the <i>Local Government Act 1995</i> .  <i>Also refer Internal Control criteria 2: Policies and Delegated Authority.</i>	City Document Management Administration Policy and Procedure.
9	Documented Policies and Procedures.	A/Manager Governance	Council policies are accessible on the City's website. Policies and procedures are saved in the City's electronic document management system M-Files. The process for creating and reviewing the policies and procedures is provided in the City Document Management Administration Policy and Procedure. In summary: <ul style="list-style-type: none"> <li>○ All Policies and those under review are presented to Council for consideration and adoption and are to be reviewed every 4 years.</li> <li>○ ELT are responsible for Administration Policies, and each Business Unit Manager is responsible for procedures relevant to their area.</li> <li>○ Governance Support provides quality assurance on Policies prior to their approval, when requested.</li> </ul>	City Document Management Administration Policy and Procedure.
10	Trained and qualified employees.	Manager People and Culture	All new employees are required to provide copies of required qualifications through the recruitment process. A copy of the qualifications is kept on the employee's electronic file. Internal training is provided across selected topics. Managers have the ability to identify and approve role specific training as needed. Training records are maintained. People and Culture intend to develop a qualification management process to enable the City to track expiry dates of relevant licences.	
11	System controls	Manager Information Technology  Manager Financial Services	The OAG had raised recommendations to strengthen the IT control environment. The City has progressed actioning these, with several of the matters addressed in Administrative polices. Additionally, the City is working towards improving its IT Maturity, as assessed by the OAG and has in the past 2 years strengthened its maturity level. The maturity level will be strengthened by the application of the recently approved Information Security Management Systems policy suite	IT Security Policy and supporting policies  Annual Compliance

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
		Manager People and Culture	<p>The City has established layers of systems controls, including:</p> <ul style="list-style-type: none"> <li>○ User profiles are in place and subject to a formal approval process.</li> <li>○ Internal and external penetration testing is performed.</li> <li>○ User access is tracked by the IT Help Desk.</li> <li>○ Users are vetted in the Finance System.</li> <li>○ Segregation of duties is in place with checks for those with multiple roles.</li> <li>○ IT security breaches are flagged, investigated and if significant reported to ELT.</li> </ul> <p>System user access goes through an approval process before provisioning. This is achieved using the City's Online Forms for staff which, once approved, generate a service request in the City's IT Service Desk platform for action.</p> <p>System access is role based and intended to provide for appropriate segregation. This is guided by the Administrative Policy - Access Control Policies.</p> <p>The annual Compliance Audit Return 2021 did not note any material control weakness, except for the matters in relation to Procurements Issues and an awareness that there may be instances when Procurement in excess of \$250,000 is not in line with the required tendering obligations. Detective controls should identify these anomalies. This matter is being addressed by Financial Services.</p> <p>The Regulation 5 Financial Systems and Procedures 2020 found a generally sound control environment. Areas for improvement were noted and these have been progressed and closed out.</p> <p><b><u>Recommendation 11 – Approval of Credit Card transactions</u></b></p> <p><i>The City uses credit cards, with the Manager Financial Services approving the Directors' and the CEO's. It is recommended that the CEO should approve the Directors' credit card claims, with a Director to approve the CEO's.</i></p> <p><i>Also refer recommendation at Risk Management criteria 9 - A procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.</i></p>	Audit Return 2021  Regulation 5 Financial Systems and Procedures 2020

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
12	Effective Policy and Process Review.	A/Manager Governance	<p>The process for creating and reviewing the policies and procedures is provided in the City's Document Management Administration Policy and Procedure.</p> <p>A recent amendment to the Policy and Procedure has introduced a 4-year timeframe that policies must be reviewed in. A 4 yearly review will ensure that policies maintain currency with legislative requirements and City practices.</p> <p>Procedures are reviewed and updated as processes change.</p> <p><i>Also refer Internal Control criteria 2: Policies and Delegated Authority.</i></p>	City Document Management Administration Policy and Procedure.
13	Regular internal audits	A/Manager Governance	<p>The City does not currently have an in-house internal audit function.</p> <p><u><i>Recommendation 12 – Three Year Internal Audit Plan</i></u></p> <p><i>The City on review of its policies, should consider introducing an internal audit function with a 3 yearly rolling internal audit plan, covering high risks areas.</i></p>	
14	Documentation of risk identification and assessment.	CEO  A/Manager Governance	<p>The City is committed to a culture of effective risk management and has implemented an approach to consider risk at three key levels: strategic, operational and projects.</p> <p>The City's RMF aligns with the <i>ISO 31000 standard for risk management</i>. The RMF identifies key risk management roles and responsibilities and provides guidance for identifying, assessing and monitoring risks.</p> <p>In accordance with the RMF, strategic and operational risks can be reviewed at least quarterly.</p> <p>Training will be rolled out in February 2023 and as part of this process the corporate risk register will be reviewed in line with the new RMF framework.</p> <p><i>Also refer Risk Management criteria 2: An effective risk management system and material operating risks are appropriately considered.</i></p>	
15	Separation of roles and functions, processing, and authorisation.	Manager Financial Services  A/Manager Governance	<p>All roles are guided by a formal Position Description which sets out the position's responsibilities. As part of the new Starter process, all managers define what level of access the position requires. This is also reviewed and then 'signed off' under the IT Access Rules policy.</p> <p>From a statutory point of view, delegations and authorisations are in place and structured to ensure that a suitable line of reporting and separation of duties is present. In some instances, this is dictated by legislation with conditions placed on certain delegations and authorisations.</p> <p>Requests to change or increase a delegation or authorisation must be supported and requested by the respective Manager</p>	Copy of CEO Approval E-Form

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
			<p>Access to the Finance System provides for acceptable segregation between key functions. For example, purchasing versus payments, cash collections versus banking, human resources versus payroll, suppliers set up versus accounts payable etc. In M-files access to human resources is tightly controlled, with access limited to the necessary People and Culture officers. e-forms are often used to manage and enforce the separation of roles and functions. The e-forms identify relevant corporate hierarchy and effectively separate roles and functions accordingly.</p> <p><i>Also refer Internal Control criteria 11: System and Controls</i></p>	
16	Control of approval of documents, letters, and financial records	<p>A/Manager Governance</p> <p>Manager Information Technology</p> <p>Manager Financial Services</p>	<p>CEO approvals are through an e-form that has a programmed workflow.</p> <p>Document approval and controls are all completed using the City's document management system, M-Files for all employees. Documents can be assigned to a user for approval. The approval process is logged against the document and can be audited.</p> <p><i>Also refer Internal Control criteria 15: Separation of roles and functions, processing, and authorisation.</i></p>	Execution of Documents Policy
17	Comparison of internal data with other or external sources of information.	<p>Manager Financial Services</p> <p>Director Business City</p>	<p>The City utilizes a series of daily / weekly / end of month routine checklists to identify and act on any anomalies in financial processes</p> <p>MyCouncil on the DLGSCI website provides for comparison of health data across the Councils.</p> <p>The City participates in the OAG performance audits across the sector, as requested.</p> <p>The City reviews the OAG's IT Maturity Model comparative and takes actions, as appropriate. This has seen an increase in the effectiveness of the City's IT control environment in the last 2 years.</p>	
18	Limit of direct physical access to assets and records	<p>Manager Information Technology</p> <p>Manager Facilities and Environmental Management</p>	<p>The City's server, storage and network infrastructure is managed via a combination of key or swipe card locks or both. Swipe card access is auditable and access to equipment is limited to authorized staff.</p> <p>Physical records are kept off-site and managed by Compu-Store in an environment controlled, secure, storage facility. Physical records are scanned and sent back digitally as required. If access to a physical record is required, this is managed by the City's Information Management</p>	IT Security Policy

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
			<p>team.</p> <p>Physical access to the City's staffed building (Administrative Centre and the Depot) is controlled through the use of access passes (with access levels set commensurate with roles). Access to non-staffed buildings is through the use of swipe cards issued by Bookings.</p> <p>Access to the City's vehicle pool is also controlled by the use of swipe cards.</p> <p>The City is working towards a common physical access system across all sites, in the next 12 months.</p> <p><i>Also refer Internal Control criteria 11: System and Controls.</i></p>	
19	Control of computer applications and information system standards.	Manager Information Technology	<p>The City has adopted an Information Security Management Systems policy suite. This is based on <i>ISO/IEC 27001 (International Standard for Information Security)</i>. This clearly outlines security provisions in place. These provide the overarching settings to allow the City to manage risk associated with control and security for the IT system.</p> <p>Vulnerability scanning tools are in place to detect vulnerabilities that may require a system upgrade or patching. This is then carried out via the City's IT Change Management process. This process is documented in the Administration Policy – Change Management Policy – IT.</p> <p>End users are required to sign an acceptable use policy for their devices and the way in which the devices are to be used.</p> <p>Monitoring tools are active to scan end user devices and report on software installed.</p> <p>The OAG had raised recommendations to strengthen the IT control environment. The City has progressed actioning these, with several of the matters addressed in Administrative policies. Additionally, the City is working towards improving its IT Maturity, as assessed by the OAG and has in the past 2 years strengthened its maturity level.</p> <p><i>Also refer Internal Control criteria 11: System and Controls.</i></p>	<p>Administration Policy – Change Management Policy – IT.</p> <p>M-Files: 5422005</p>
20	Limit of access to make changes in data files and systems	Manager Information Technology	<p>User access is restricted according to the role being performed. Administration access is restricted to members of the IT team who require this access.</p> <p>System files are stored on security restricted servers, changes to data files are auditable.</p> <p><i>Also refer Internal Control criteria 11: System and Controls.</i></p>	<p>Administration Policy – Change Management Policy – IT.</p>

Criteria		Responsibility for Program / Sub Program	Internal Control	Supporting References
21	<p>Regular maintenance and review of financial control accounts and trial balances. Comparison and analysis of financial results with budgeted amounts. The arithmetical accuracy and content of records. Report, review and approval of financial payments and reconciliations. Comparison of the result of physical cash and inventory counts with accounting records.</p>	<p>Manager Financial Services</p>	<p>The City has in place a multi-layered review and monitoring process over its financial records and accounts, including:</p> <p>The Trial Balance is reviewed on a monthly basis for 'other accounts' to identify anomalies in balances. The City also has several checks and balances to be performed on a daily or weekly basis to ensure system integrity and module balances.</p> <p>The Finance Team follow the controlled process as set out in the Monthly Checklist.</p> <p>Annually, the financial statements are subject to external audit by the OAG.</p> <p>Each month, Budget officers meet with budget holders to review accounts balances and initiate actions, as required. Monthly variances are also reported in the monthly financial reports presented to the Council.</p> <p>The financial statement variances are received and reviewed by ELT prior to submission to Council. Line items variances greater than 10% are explained.</p> <p>The arithmetical accuracy of data in the system is confirmed by reviewing the Trial Balance on a monthly basis and balancing monthly financial statements for reporting to the Council.</p> <p>Dual approvals are required prior to the release of the payment run and payroll run. Invoices for suppliers posted in the system are reviewed and approved by other officers before posting. A payment run report is then generated to be uploaded to the bank portal and approved by senior officers. Likewise, for payroll, pay runs are processed by payroll officers and reviewed and reconciled by a senior payroll officer before uploading them to the bank portals.</p> <p>Stocktakes are performed at the Depot and Leisure Centres. Stock holdings are not material, circa \$133,000. No material variances were noted at the June 2022 stock takes.</p>	

## Legislative Compliance

The compliance programs of the City are a strong indication of attitude towards meeting legislative requirements. The CEO's triennial review (as per Section 17 of the *Local Government (Audit) Regulations 1996*) considers the effectiveness of the City's compliance programs in relation to the following criteria:

Criteria		Responsibility for Program / Sub Program	Compliance program	Supporting References
1	Monitoring compliance with legislation and regulations.	A/Manager Governance  Manager Services  Field	<p>The City is committed to good governance practices. Each Business Unit is responsible for ensuring compliance with pertinent legislation and regulations. Internal compliance forms part of the management review framework. For satisfying its external compliance obligations, the City has a number of functions in place to do this.</p> <p>The City's Business Units carry out compliance work across 4 key operational areas. Management receives reports on non-compliance and trend analysis. If there is a material breach it can be reported to ARMC. The 4 areas are:</p> <ul style="list-style-type: none"> <li>○ Environmental Health (Food Act, Noise Regulations, Public Health etc.).</li> <li>○ Building and planning (Building Act, Planning &amp; Development Act, Local Laws etc.).</li> <li>○ Community Safety (Dog Act, Litter Act, Parking Local Laws etc.).</li> <li>○ Statutory parking.</li> </ul> <p>The Governance Team has an internal procedure for reviewing each Government Gazette publication for legislative changes that may affect local government and forwarding to relevant business unit managers. It is then the managers' responsibility to ensure that any relevant policy or procedure is amended if necessary and their teams are made aware.</p> <p>The City's annual Compliance Audit Return (CAR) processes provides a mechanism to assess the City's compliance with legislation.</p>	<p>Example notification email to Managers re changes in legislation</p> <p>CAR Adoption and Submission</p>
2	Reviewing the annual Compliance Audit Return and reporting to Council the results of that review.	A/Manager Governance	<p>The CAR is reported to Council through the ARMC, prior to submission to the Department.</p> <p>The CAR was completed by an independent consultant, reported to ARMC and Council and approved by Council in February 2022. The CAR was submitted by the CEO to the DLGSCI.</p>	CAR adoption and submission

Criteria		Responsibility for Program / Sub Program	Compliance program	Supporting References
3	Staying informed about how Management is monitoring the effectiveness of its compliance and making recommendations for change as necessary.	A/Manager Governance  CEO	<p>There is a formal follow up process in place to monitor the status of the implementation of agreed audit recommendations made by the internal or external auditors. The status of outstanding audit recommendations is reported to the ARMC on a regular basis.</p> <p>In accordance with the requirements of the Regulation 17 review, a Legislative Compliance review is completed at least once every three years. If the review identifies any recommendations for improvements which if accepted by ELT, they are passed to Council through the ARMC. These items are added to the Audit Actions Register. This Register is sent monthly to management, for updates on the progress of these recommended actions and also through to ARMC.</p>	
4	Reviewing whether the City has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints.	A/Manager Governance  Manager People and Culture	<p>The Code of Conduct for Elected Members and Complaints Handling Policy has recently been reviewed. These are updated as necessary to reflect any legislative changes.</p> <p>The Code of Conduct for Employees is currently under review.</p> <p><u>Process for Elected Member breaches:</u> Processes are in place for grievances relating to Elected Members. These are typically processed by the Governance team and in accordance with policy, statutory and regulatory requirements. As required, proven breaches or complaints are published on the City's website.</p> <p><u>Processes for staff breaches</u> are typically covered by People and Culture. These may relate to breaches against the Code of Conduct. The City's Complaint Handling Procedure is on the City's Customer Service intranet page. There is a grievance policy and procedure in place regarding complaints. A Grievance Register is maintained to track and record grievances. Outcomes are reported in summary in the annual PSC Integrity report.</p> <p>The City's also has a Public Interest Disclosure (PID) Policy to facilitate disclosure of public interest information and protect persons making disclosures and persons that are subject of disclosures. The City has a PID officer.</p> <p><i>Also refer Risk Management criteria 4(d) - Internal processes for determining and managing material operating risks in accordance with the City's identified tolerance for risk, particularly in the following areas- Misconduct, fraud, and theft.</i></p>	<p>Council Code of Conduct Division 3 Complaint Handling Policy</p> <p>PSC Integrity Report 2021</p>

Criteria		Responsibility for Program / Sub Program	Compliance program	Supporting References
5	Obtaining assurance that adverse trends are identified and review management's plans to deal with these.	<p>CEO</p> <p>Manager People and Culture</p> <p>Manager Financial Services</p>	<p>Under the financial reporting framework, the following occurs:</p> <ul style="list-style-type: none"> <li>○ Monthly meetings with Business Unit Plan Holders to address issues with their YTD budgets.</li> <li>○ Monthly variance report is also circulated inviting comments from all managers for variances against budgets for every budget line item.</li> <li>○ As part of the City's budget process, each month the financial statement (actual v budget) is submitted to Council. These are accompanied with explanations for any variances.</li> <li>○ Annual Report incorporates reporting of financial ratios and if the Council achieved these ratios within the benchmark ratio set by the Department of Local Government Sports and Communities.</li> <li>○ On a monthly basis, ELT review and approve the release of the financial report as part of the Agenda settlement process. Any material non-compliance matters would also be reported to Council as an Emerging issues report.</li> </ul> <p>People and Culture provide metrics to the ELT regarding key people functions and activities to identify adverse trends and are working with ELT to develop a dashboard for both ELT and managers.</p> <p>Recommendations for improvement may arise from the OAG audits, completion of the CAR or the Regulation 5 and 17 reviews. These are tracked in the Audit Actions Register.</p>	Audit Actions Register
6	Reviewing management disclosures in financial reports of the effect of significant compliance issues	Manager Financial Services	<p>In March 2022 the financial statements were tabled with the Finance, Policy, Operations &amp; Legislative Committee in draft, with commentary, prior to obtaining signature to submit these to the OAG for the annual audit.</p> <p>The City undertakes annual external financial audits. The findings and recommendations, along with management responses and action plans, are reported to the ARMC.</p>	
7	Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit	<p>A/Manager Governance</p> <p>Manager Financial Services</p>	<p>The OAG performs the external financial statements audit in accordance with legislation, accounting, and auditing standards. The City has no ability to influence the scope.</p> <p>The Governance Team maintains the Audit Actions Register which captures all actions recommended by auditors during audits. To the extent that any of these relate to compliance or ethical risks, they are captured in this process. Governance sends these actions to managers on a monthly basis for updates. These updates are then presented to ELT before being taken up to the ARMC.</p> <p>The CAR requires commentary on '<i>Integrity and Ethics</i>'. These matters and any arising</p>	

Criteria		Responsibility for Program / Sub Program	Compliance program	Supporting References
	projects, and report compliance and ethics issues to the audit committee.		exceptions would be included and addressed by the above process. <i>Also refer Risk Management criteria 11 - Fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks and Internal Control criteria 1 - Integrity and ethics.</i>	
8	Considering the internal auditor's role in assessing compliance & ethics risks in their plan.	A/Manager Governance	The City does not have an in-house internal audit function.  <i>Refer recommendation at Risk Management criteria 7 - An effective internal control system with management and internal and external auditors.</i>	Administrative Policy - Internal Review
9	Monitoring the City's Compliance Frameworks dealing with relevant external legislation and regulatory requirements	A/Manager Governance	The City has an extensive Governance Program which includes monitoring of regulatory requirements. Additionally, individual Business Units within the City operate compliance programs. The City has recently purchased the Attain Compliance Calendar module, which will be rolled out to the organisation in the next 12 months.  The Governance Team monitors legislative changes and advises managers and the Executive Team.	
10	Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.	A/Manager Governance	Elected members are inducted for all committees and independent members are provided with Terms of Reference and Code of Conduct when appointed.  Elected members also carry out Essentials Training – online via WALGA eLearning portal.	Council: Groups and Committees Register - containing ToR

**End of Document**

## ARMC2302-4 ADOPTION OF THE 2022 COMPLIANCE AUDIT RETURN



### City of Fremantle - Compliance Audit Return 2022

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022?	Not applicable.	No major trading undertakings were carried out in 2022.	Director City Business
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2022?	Not applicable.	No major land transactions were carried out in 2022.	Director City Business
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	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 2022?	Not applicable.	No major land transactions were carried out in 2022.	Director City Business
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022?	Not applicable.	No major land transactions were carried out in 2022.	Director City Business
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	Not applicable.	No major land transactions were carried out in 2022.	Director City Business

## City of Fremantle - Compliance Audit Return 2022

<b>Delegation of Power/Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	All delegations adopted by absolute majority at the Ordinary Meeting of Council held on 25 May 2022 (FPOL2205-5).	Acting Manager Governance
2	s5.16	Were all delegations to committees in writing?	Yes	Instruments of delegation included in the <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Yes	See <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	See <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
5	s5.18	Has council reviewed delegations to its committees in the 2021/2022 financial year?	Yes	Delegations reviewed at the Ordinary Meeting of Council held on 25 May 2022 (FPOL2205-5).	Acting Manager Governance
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes	See <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	All delegations adopted by absolute majority at the Ordinary Meeting of Council held on 25 May 2022 (FPOL2205-5).	Acting Manager Governance
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	Instruments of delegation included in the <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	Instruments of delegation included in the <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	See FPOL2205-5	Acting Manager Governance
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	See <a href="#">Register of Delegated Authority</a> .	Acting Manager Governance
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes	Reviewed by CEO 3 June 2022 – Doc ID 5421321	Acting Manager Governance
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 in accordance with Admin Reg 19?	Yes	Refer to Register containing CEO/Manager Acting Manager Governance use of delegation and sample records in M-Files.	Acting Manager Governance

## City of Fremantle - Compliance Audit Return 2022

<b>Disclosure of Interest</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	No	A councillor declared a proximity interest in item C2204-2, did not leave during discussion and voted on the matter.	Acting Manager Governance	
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Not applicable	No participation approvals granted (or sought) during 2022.	Acting Manager Governance	
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Acting Manager Governance	
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Acting Manager Governance	
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Yes		Acting Manager Governance	
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Acting Manager Governance	
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Acting Manager Governance	
8	s5.88(1) & (2)(b) 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, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Acting Manager Governance	
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Acting Manager Governance	
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	Obsolete documents transferred from Register to 'vault folders' for archiving.	Acting Manager Governance	
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Acting Manager Governance	
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Acting Manager Governance	

## City of Fremantle - Compliance Audit Return 2022

No	Reference	Question	Response	Comments	Respondent
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Not applicable		Acting Manager Governance
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Acting Manager Governance
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Not applicable	No interests reported in 2022.	Acting Manager Governance
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	Not applicable	No applications made in 2022.	Acting Manager Governance
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	Not applicable	No applications made in 2022.	Acting Manager Governance
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes	Adopted 28 April 2021 – FPOL2104-8  Amended 25 May 2022 – FPOL2205-6	Acting Manager Governance
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	Yes	Adopted 28 April 2021 See FPOL2104-8.	Acting Manager Governance
20	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Acting Manager Governance
21	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	No	Last adopted version on website. However, a new employee code of conduct is in the process of being finalised since the introduction of the <i>Local Government Regulations Amendment (Employee Code of Conduct Regulations) 2021</i> .	Acting Manager Governance

## City of Fremantle - Compliance Audit Return 2022

<b>Disposal of Property</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes		Director City Business
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?	Yes		Director City Business

<b>Elections</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Elect Regs 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 donors 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 forms relating to each candidate?	Not applicable	No elections in 2022	Acting Manager Governance
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	Not applicable	No elections in 2022	Acting Manager Governance
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Not applicable	No elections in 2022	Acting Manager Governance

## City of Fremantle - Compliance Audit Return 2022

<b>Finance</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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		Director City Business
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	Not applicable	ARMC has no delegated powers.	Director City Business
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022?	No	COF is currently awaiting the completion of the audit by the OAG's agent following the completion of the SMRC audit on the 21 December 2022.  Completion expected January 2023.	Director City Business
4	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	Actions recorded and report progress, note these items pertain to FY 21, as the audit opinion for FY22 has still to be received (Refer Q3 above).	Director City Business
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	No	OAG's opinion was received with one significant item noted. Action has been undertaken to address this matter and was reported to the City's Audit and Risk Management Committee and Council.  Findings report and associated actions is available on the City's website via the minutes of the Ordinary Council Meeting October 2022 (ARMC2210-4).	Director City Business
6	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?	No	Refer Q5 above.	Director City Business
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Not applicable	Report for FY 22 is yet to be received from the OAG's agent.	Director City Business

## City of Fremantle - Compliance Audit Return 2022

<b>Integrated Planning and Reporting</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	On 26 June 2019 (FPOL 1906-12). Noting in March 2021, Council endorsed the approach in progress to update the Strategic Community Plan.	Director City Business
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The Corporate Business Plan 2019 - 2023 was adopted on 26 June 2019.	Director City Business
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Director City Business

## City of Fremantle - Compliance Audit Return 2022

<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	Yes	Available documents indicate that a recruitment process, including the appointment of an external recruitment agency and recruitment panel, was established prior to the position being advertised. Council approved the process on 21 April 2021.	Manager People and Culture
2	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	The CEO position was advertised on Seek, Linked in, LG Assist and the Australian LG Job Directory. The advertisement provided by the recruitment agency shows accurate information for the role, including the salary.	Manager People and Culture
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	Yes	Integrity checking was completed on the preferred candidate.	Manager People and Culture
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	Yes	The contract for the successful candidate was in line with the remuneration and contract type advertised. The advertisement was silent on leave entitlement and did not reference the provision of 5 weeks annual leave that is provided to all common law employees at the City.	Manager People and Culture
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Not applicable	The COF only holds the CEO position as a senior employee. Therefore, no proposals were made to employ or dismiss a senior employee.	Manager People and Culture
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	Not applicable	There were no recommendations made by the CEO to employ or terminate a senior employee.	Manager People and Culture

## City of Fremantle - Compliance Audit Return 2022

<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	Acting Manager Governance and CEO are complaints officers.	Acting Manager Governance
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121(2)?	Yes	See <a href="https://www.fremantle.wa.gov.au/register-of-complaints">Register of Complaints (fremantle.wa.gov.au)</a>	Acting Manager Governance
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	See <a href="#">Publicly available registers   City of Fremantle</a>	Acting Manager Governance

## City of Fremantle - Compliance Audit Return 2022

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 Financial Management Reg 5(2)(c) within the three years prior to 31 December 2022? If yes, please provide the date of council's resolution to accept the report.	Yes	Presented to Council's Audit Committee on 11 August 2020 item ARMC2008-1.	Director City Business
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 Audit Reg 17 within the three financial years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report.	Yes	Internal Review – received 26 February 2020 (ARMC2002-1)  Risk Management – received 25 November 2020 (ARMC2011-4)  Legislative Compliance – received 23 February 2022 (ARMC2202-3)  Additionally, the City notes completed the next scheduled review was recently completed in December 2022. The report will due course be transmitted to the ARMC and Council.	Acting Manager Governance
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	No	Disclosures were made within 10 days. However, one disclosure did not contain all of the information required by section 5.87c. However, this information was provided at a later date.	Acting Manager Governance
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes	Last amended 25 May 2022 (FPOL2205-6)	Acting Manager Governance
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes	This is included in the Annual Budget <a href="#">Budget 2022-23.pdf (fremantle.wa.gov.au)</a> – page 31  <a href="#">2018 Financial Reporting Template (fremantle.wa.gov.au)</a> – page 42	Acting Manager Governance

## City of Fremantle - Compliance Audit Return 2022

No	Reference	Question	Response	Comments	Respondent
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Last amended 25 May 2022 (FPOL2205-6)	Acting Manager Governance
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?	Yes	See <a href="#">Report on Elected Member Training 2021-2022.pdf (fremantle.wa.gov.au)</a> , available on the following webpage: <a href="#">Publicly available registers   City of Fremantle</a>	Acting Manager Governance
8	s6.4(3)	By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?	No	Documents were submitted to the auditor on 4 October, being one business day later than 30 September 2022.	Director City Business
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	Budget adopted by Council 20 July 2022.	Director City Business

## City of Fremantle - Compliance Audit Return 2022

Tenders for Providing Goods and Services						
No	Reference	Question	Response	Comments	Respondent	
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	No	<p>The City is aware that there may be instances when Procurement up to \$250,000 is not in line with the required tendering obligations.</p> <p>Controls are in place to identify these anomalies.</p> <p>Processes to resolve this matter are being progressed by Financial Services.</p>	Procure to Pay Team Lead	
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all 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 F&G Reg 11(1)?	Yes		Procure to Pay Team Lead	
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via State-wide public notice in accordance with F&G Reg 14(3) and (4)?	No	<p>The City advertises tenders on the City's website. These are published on Tenderlink (accessible to any entity, with an ABN, registered); Linked In and other social network platforms.</p> <p>During the year, a small number of tenders were not advertised in newspapers due to a changeover in staffing.</p> <p>The City has now re-started this practice.</p>	Procure to Pay Team Lead	
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	Yes		Procure to Pay Team Lead	
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	Via Tenderlink	Procure to Pay Team Lead	
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Procure to Pay Team Lead	

## City of Fremantle - Compliance Audit Return 2022

No	Reference	Question	Response	Comments	Respondent
7	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 and publish it on the local government's official website?	Yes	There was a short period due to staff changeover where the register was not updated. However, this was rectified and is fully updated and published.	Procure to Pay Team Lead
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Not applicable	The Tenderlink system used does not allow tenders to be submitted after the specified closing time.	Procure to Pay Team Lead
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Procure to Pay Team Lead
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Procure to Pay Team Lead
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Not applicable	No EOIs called in 2022.	Procure to Pay Team Lead
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Not applicable		Procure to Pay Team Lead
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	Not applicable		Procure to Pay Team Lead
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	Not applicable		Procure to Pay Team Lead
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via State-wide public notice in accordance with F&G Reg 24AD(4) and 24AE?	Not applicable	No panels are in place	Procure to Pay Team Lead
16	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 notice of the variation?	Not applicable		Procure to Pay Team Lead
17	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 pre-qualified supplier panel application?	Not applicable		Procure to Pay Team Lead

## City of Fremantle - Compliance Audit Return 2022

No	Reference	Question	Response	Comments	Respondent
18	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?	Not applicable		Procure to Pay Team Lead
19	F&G Reg 24AH(1)	Did the local government reject any 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?	Not applicable		Procure to Pay Team Lead
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	Not applicable		Procure to Pay Team Lead
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Not applicable		Procure to Pay Team Lead
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Not applicable		Procure to Pay Team Lead

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