# MINUTES ATTACHMENTS

## Audit and Risk Management Committee

Tuesday, 11 February 2020, 5:30 pm

City of Fremantle

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## Minutes attachments

**ARMC2002-1 REVIEW OF CERTAIN SYSTEMS AND PROCEDURES - INTERNAL CONTROL BY THE CHIEF EXECUTIVE OFFICER REQUIRED BY REGULATION 17 OF THE LOCAL GOVERNMENT (AUDIT) REGULATIONS**

**ATTACHMENT 1 -** Civic Legal systems and procedures review, internal control - Final Report

CIVIC LEGAL

# Systems and Procedures Review - Internal Control

**City of Fremantle**

December 2019

City of Fremantle
Systems and Procedures Review – Internal Control
December 2019

CIVIC LEGAL

## Contents

## 1. Introduction

Regulation 17 of the *Local Government (Audit) Regulations 1996* (WA), creates a statutory obligation for local government CEOs to review the effectiveness and appropriateness of the Local Government's systems and procedures at least once every three financial years.

The City of Fremantle (**the City**) has engaged Civic Legal to undertake a review of the City's systems and procedures in relation to risk management, internal control and legislative compliance. The reviews will be undertaken with the intended outcome of assisting the Chief Executive Officer (**CEO**) to meet their statutory obligations described in regulation 17.

The purpose of this report is to assist the CEO in their assessment of the appropriateness and effectiveness of the relevant systems and procedures in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996* (WA).

This report addresses internal control and is the first of three reports, to be delivered according to the time frame stated in section 3.0 below.

## 2. Engagement Overview

### 2.1 Legislative Requirements

Regulation 17 of the *Local Government (Audit) Regulations 1996* (WA) states the following:

*(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
*(a) risk management; and*
*(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.*

### 2.2 Timeframe

Civic Legal understands from the City that its last regulation 17 review was completed in February 2019. That review addressed all three categories (risk management, internal controls and legislative compliance).

The next Regulation 17 compliance deadline for all three categories is therefore due by 30 June 2022.

The City has engaged Civic Legal to complete three individual reviews over a three year period. A separate report will be prepared for each of the three reviews.

> internal control (to be completed in 2019)
> risk management (to be completed in 2020)
> legislative compliance (to be completed in 2021)

### 2.3 Scope of Engagement – Internal Control

The City has engaged Civic Legal to provide the following services in relation to the requirements of Regulation 17 of the *Local Government (Audit) Regulations 1996* (WA):

- complete a review of a selection of the City's systems and procedures relating to internal control;
- seek to identify potential issues relating to the systems and procedures being reviewed;
- provide suggestions for improvement; and
- prepare a report summarising the matters identified during the review.

## 3. Review Methodology

Civic Legal has considered the Local Government Operational Guideline Number 9 in determining which systems and procedures to review. Civic Legal has also included some specific systems and procedures identified by the City.

The methodology included:

- interviewing relevant employees of the City;
- referencing core documents underlying the systems and procedures being reviewed;
- observing how employees implement the systems and procedures being reviewed; and
- conducting sampling as required.

The onsite visits at the City were on 30 October 2019, 13 November 2019 and 22 November 2019.

## 4. Executive Summary

### 4.1 Internal Control Summary

Internal controls comprise systems and procedures which optimise the efficiency of a local government and mitigate risk. Effective internal controls require a variety of strategies which include, but are not limited to:

- contemporary procedures and policies;
- effective asset and human resource management;
- compliance with relevant policies and standards; and
- systems designed to promote accountability.

### 4.2 Review Summary

The City's internal control framework includes numerous systems and procedures. Most of the systems and procedures reviewed appear to be well understood by the interviewed employees and function satisfactorily. However, a number of these systems and procedures are yet to be captured in formal documents (policies, procedures, checklists). This has the potential to result in inconsistent practices or a loss of corporate knowledge when key employees leave the City.

The City's major systems and procedures relating to internal controls over areas such as recruitment and tendering, appear to operate consistently across departments.

Despite a lack of a formal or structured separation of roles and functions, the City appears to have achieved this separation in practice. This seems to have been achieved as a natural consequence of the scale of operations at the City and its multifaceted workflow procedures.

## 5. Table of results

The table below sets out:

> the systems and procedures reviewed;
> a description of those systems and procedures based on the information provided by the City's employees; and
> Civic Legal's suggested actions for the City to consider.
> **Officer comment** (added to this report by the City of Fremantle to provide feedback to the Executive Leadership Team upon receiving the final report)

| System or procedure | Description | Suggested actions | Officer comment |
|---|---|---|---|
| Delegation Register review | The City's Register of Delegated Authority is reviewed annually, as per the requirements of the *Local Government Act 1995* (WA) (**the Act**).<br>The procedure for the annual delegation review is recorded in a Governance Procedure (Annual Review of the Delegated Authority Register). This Governance Procedure is located on the City's intranet. It was due to be reviewed on 26 September 2019.<br>The Manager of Governance coordinates the review and consults with relevant stakeholders and managers/directors.<br>The Council adopted the amendments from the most recent review of the Register of Delegated Authority on 26 June 2019 (four days before the deadline prescribed in the Act).<br>The date of adoption is recorded on all delegations. | Begin the Register of Delegated Authority review at an earlier date to reduce the risk of not meeting the compliance deadline.<br>Review the Annual Review of the Delegated Authority Register Governance Procedure. | Manager Governance:<br><br>Where time allows the Governance Team will begin the review of the register earlier in the year to reduce the risk of not meeting the legislated deadline.<br><br>The procedure is reviewed after every delegated authority register review. |
| Communicating delegations to employees | The Register of Delegated Authority is available on the City's website.<br>When delegations are amended or a new delegation is adopted, a notification is posted in the City's intranet. The employees listed in the delegations will also receive electronic letters notifying them of change.<br>This system has been formally recorded in a Governance Procedure (Annual review of the Delegated Authority Register). | Request read receipts when sending emails/electronic letters to employees regarding changes to delegations. | Manager Governance:<br><br>Agreed and the Governance Team has already updated the procedure to include this step. |





| System or procedure | Description | Suggested actions | Officer comment |
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| Recording the use of delegations | Directors are responsible for recording their own use of delegations.<br>Use of delegations is currently recorded in various locations, namely<br>• the CEO's register (for the use of delegations by the CEO);<br>• reports to the council or audit committee; or<br>• miscellaneous locations within the records management system.<br>All delegations instruct relevant employees to record the use of the delegation in the City's record keeping system, in accordance with legislative requirements. No specific registers or documents are identified within these instructions, nor are the mentioned legislative requirements described or cited.<br>The record keeping of exercised delegations is not regularly or formally checked/audited throughout the City. | Conduct an internal review to ensure the use of delegations is being correctly recorded.<br>Include the following in all delegations:<br>> instructions of the required recording process (as per the Act and associated regulations); and<br>> the location for recording the use of the delegation. | Manager Governance:<br><br>Agreed, training for delegated officers is being considered for development and following its implementation, an internal review on how different areas are capturing the use of delegation will be undertaken. |
| Review of council and administration Policies | There is currently no formal periodic review for policies. Instead, policies are expected to be reviewed when issues are identified.<br>It is the responsibility of individual departments to ensure their relevant policies are up to date. The reviewing officer/responsible officer is identified on each policy.<br>Policies are written with the assistance of standardised templates. Some policies had not been correctly completed with some adoption and amendment dates not filled in and template instructions remaining, e.g. Breakout Areas Policy.<br>Although the current system does not involve scheduled reviews, many policies contain review deadlines.<br>Some council policies may have been amended or removed without the approval of council. The new City Document Management Administration Policy (adopted 18 September 2019) describes the requirement for council policies to be approved by Council. | Introduce a periodic City-wide policy review to:<br>> minimise the risk of policies becoming outdated;<br>> ensure consistency of formatting between policies; and<br>> promote culture where employees bring all proposed policy amendments to the attention of council. | Manager Governance:<br><br>The Governance Team, are planning a city-wide review of policy to be undertaken within the next 12 – 18 months. |

| System or procedure | Description | Suggested actions | Officer comment |
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| Communicating council and administration policies to employees | All council and administration policies are available on the City's intranet. The council policies are also available on the City's website. Employees are shown where to find the City's policies during the induction programme.<br>When policies are amended or a new policy is adopted, a notification is posted on the City's intranet.<br>The procedure for the development, approval and distribution of documents is captured in the City Document Management Administration Policy (adopted 18 September 2019). | Send relevant employees an electronic letter/email with read receipts when a policy is adopted or amended. | Manager Governance:<br>It is anticipated that the City's new document management system will expand and capture each team's notification processes.<br>Notification will also be included on the intranet and internet as required. |
| Selecting Audit and Risk Management Committee (**ARMC**) members | The ARMC has a minimum of five members, including the mayor, three elected members, and one independent member. These requirements are captured in the ARMC Terms of Reference (adopted 23 October 2019).<br>Only three members were appointed to the ARMC at the ordinary council meeting held on 23 October 2019. This included the Mayor and an independent member.<br>The independent member is selected from open applications based on relevant skills as defined in the Terms of Reference. City Business selects a preferred applicant to recommend to the Council for approval. | Develop a procedure for the selection of the independent member, including an assessment criteria to assess applicants.<br>Review the ARMC Terms of Reference to ensure it is consistent with the current ARMC members. | Manager Governance:<br>Agreed, Governance will create a procedure for the selection of the independent member of the ARMC. And make sure that this procedure aligns with the ARMC term of reference. |
| ARMC Terms of Reference review | The Council Committees and Groups Register is reviewed every two years. The Governance Team is responsible for this review. Consideration is given to the relevant guidelines provided by the Department of Local Government Sport and Cultural Industries. | Update the ARMC Terms of Reference to include a clause identifying that the Terms of Reference will be reviewed at least once every two years. | Manager Governance:<br>Agreed, Governance will update the TOR. |
| Liaising with external auditors | The Office of the Auditor General (**OAG**) is responsible for external audits at the City. The external auditors conduct entrance and exit meetings with the Chair of the Audit Committee, the Mayor, the CEO and a representative from the City's financial auditors.<br>No other formal contact is generally made with the external auditor. The | Update the ARMC Terms of Reference to ensure it is consistent with any contemporary requirements of the OAG, including entrance | Manager Governance:<br>Agreed, Governance will update the TOR. |





| System or procedure | Description | Suggested actions | Officer comment |
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| | City's employees have been given the impression by the OAG that OAG staff are contactable if required. | and exit meetings. | |
| Correcting issues identified by the external auditor | When the City receives reports from external auditors, the reports are taken to the audit committee accompanied by an officer's report. This report would include required action points. Managers will provide comment on relevant actions plans, and related deadlines.<br>The report will continue to be referred to by council until all action points have been completed. The motion register keeps record of the progress of related actions. | Capture the procedure for correcting issues identified in audits of the City in a Governance Procedure document. | Manager Governance:<br>Agreed, the Governance Team will create a procedure on how the City captures and action auditors recommendations. |
| Conducting internal audits | There are no internal audits conducted other than those audits that are required by legislation.<br>Some random checks are conducted by the finance teams as a part of their regular practice (e.g. purchase cards, end of month reconciliation and electronic funds transfer runs). These checks are regularly conducted but not formally recorded. | Introduce a regular internal auditing programme inclusive of all departments at the City. | Manager Governance:<br>The Governance Team are currently conducting a more in depth version of the Reg 17 requirements to combine internal audit and legislative compliance.<br>Further budget and staffing requirements would need to be considered to increase internal auditing. |
| Records management | Feedback from employees indicates that the current system can be difficult to use. As a result, some employees are using alternative ways to manage documents including OneDrive and Dropbox. These alternative systems are not actively restricted.<br>The City's network drive is backed up every hour in three separate locations. Those employees that use alternative systems for managing documents are responsible for conducting regular backups. There is no procedure for checking that individual backups are conducted by these employees.<br>We understand a new record management system will be introduced in | Restrict alternative records storage programmes/systems (e.g. personal computers, OneDrive, Dropbox).<br>Formally monitor the effectiveness of the new records management system (e.g. ease of use, reducing files being saved in alternative locations). | Manager Information Technology:<br>New intuitive system will be released on 10 Feb 2020; external storage locations on premise or cloud are monitored and will be restricted once the new system is embedded. |

| System or procedure | Description | Suggested actions | Officer comment |
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| | early 2020. | | |
| Accessing electronic records | All records that are received by the City are scanned into the City's record management system.<br>Security classifications are allocated to all roles. The classifications determine which records are accessible. Two employees at the City are able to allocate or change security classifications. Although there is not a dual authorisation system in place, audit trails of the activity of the two employees are recorded and accessible to the other. | Introduce a dual authorisation system in relation to changing or allocating security classifications. | Manager Information Technology:<br><br>Once the new system is embedded work has already begun on better governance within the existing document management workplace. |
| Accessing physical records | Selected original documents are stored off site. If someone would like access to an original document, they will need to complete a request form. Designated employees will check if the document has been digitised or stored electronically. Hard copies are only retrieved when considered absolutely necessary. The location of the hard copy document and responsible person (recipient of the hard copy document) is monitored until it is returned. | | |
| Records management policy review | The records management policy is reviewed in accordance with *State Records Act 2000* (WA) law. | | |
| Records management training | All employees are required to undergo records management system training within a week of their initial induction.<br>Refresher training for the document management system is offered to employees.<br>Employees are made aware of the Records Management Plan and where to find it. | Conduct internal records management audits to monitor the effectiveness of record management training. | Manager Information Technology:<br><br>Audits for internal records management will be put in place once the new system has gone live, results will be published to managers for analysis and improvement developments. Records will be kept |





| System or procedure | Description | Suggested actions | Officer comment |
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| Liaising with legal advisers | The City conducted a tendering process with the WALGA preferred suppliers to select a panel of three law firms.<br>The City regularly liaises with its legal service providers as there are often various legal matters in progress at any one time.<br>Employees must seek authorisation from their relevant director before contacting legal advisors. This process has not been formally captured in a written document.<br>There is currently no formal document providing guidance in regard to when and how employees should contact legal advisors and which service provider to contact for particular types of matters. | Introduce a policy or procedure providing guidance to employees in regard to when to contact legal advisers and which legal service provider to contact, according to the type of matter. | Manager Governance:<br><br>Agreed, the Governance Team are considering the development of a procedure in regard to when to contact legal advisers and which legal service provider to contact, according to the type of matter<br><br>The City currently has a register that captures legal advice received to avoid duplication and extra costs. |
| Elected member training | The City has an Elected Member Professional Development Policy (adopted 23 May 2018). This policy outlines the professional development that will be provided to elected members to better enable them to undertake the functions of an elected member.<br>Various training opportunities are offered to elected members, covering a range of topics. These training opportunities are not compulsory. | Introduce compulsory training as per the requirements in the Act.<br>Review the Elected Member Professional Development Policy to ensure it complies with the recent amendments to the Act. | Manager Governance:<br><br>Agreed, Governance has already arranged essentials training for elected members and is reviewing the policy. |

| System or procedure | Description | Suggested actions | Officer comment |
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| Separating roles and functions in relation to monetary transactions | Various financial processes involve checks from multiple employees. This includes payroll, accounts payable runs and petty cash reconciliation. Although the plurality of checks is consistent practice, they are not required in written procedures.<br>We understand the financial team intends to develop a 'knowledge base' by recording the various procedures involved in the City's financial systems in written documents. | Develop written procedures for financial functions including requirements for two or more employees to check off on final documents and outcomes. | Manager Finance:<br><br>Finance will prepare written procedures on the process, checks and authorisation requirements for payments made.<br>The new procedure will be included in the team's knowledge base. |
| Long term management of assets | The City has an Asset Management Policy, an Asset Management Plan and a Long Term Financial Plan.<br>The City currently has insufficient funds for the management of assets. The Long Term Financial Plan identifies budgeting targets for coming years to increase the City's financial capacity in relation to asset management. Ratios and current requirements identified in the Asset Management Plan have been considered in the creation of the long term plan.<br>The above plans have been communicated to all elected members and directors. | Monitor outcomes against objectives of the Long Term Financial Plan over the coming years and review as required. | Manager Finance:<br><br>The City review's its Long Term Financial Plan on an annual basis. At each review a comparison of the required funds for asset renewal to the projected available funds for asset renewal is prepared and communicated. |
| Acquisition and disposal of assets | Acquisition and disposal of assets is considered in the annual budget.<br>Follows a similar process as procurement. One-on-one purchasing training is available to employees. Relevant policies and delegations are available on the intranet.<br>Capital expenditure is carefully monitored and checked by the finance team.<br>Elected members receive training relating to asset management and ratios. | Develop a written procedure for acquisition and disposal of assets. | Procurement Team Leader:<br><br>This is underway and is anticipated to be complete by the end of quarter 1, 2020.<br><br>Manager Finance:<br><br>Finance will prepare written procedures on the financial process for acquisition |





| System or procedure | Description | Suggested actions | Officer comment |
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| | | | (capitalisation) and disposal of assets. An e-form will be developed to simplify the request and authorisation of asset disposal.<br><br>The new procedure will be included in the team's knowledge base. |
| Maintaining asset registers (depot) | The City's vehicles and plants are utilised by three different teams (the Parks team, the Engineering team and the Waste & Cleansing team).<br>The Parks team maintains a register of all equipment issued to the sub-teams. The supervisors request for registers to be checked on a fortnightly basis. This requires the sub-teams to sign off on all equipment being accounted for and in working condition.<br>The Engineering team manages the use of larger plant items via an on-line Microsoft Outlook booking system. Smaller plant items are locked away at the depot. Only supervisors have a key. Employees must sign each item out and in. Other small assets, including hammers and shovels, are stored on trucks and are not monitored by use of a register. Trucks are secured at the depot overnight.<br>The Waste & Cleansing team utilises various large vehicles. Drivers are rostered and keys are locked in a cabinet overnight (accessed by the supervisor at the start of each shift). A Fleet Management system has recently been implemented for all of the waste & cleansing vehicles which includes cameras, GPS systems and duress alarms.<br>Access to the depot is restricted by a boom gate and is monitored by a CCTV system. | Undertake a periodic review of the small assets (stored in trucks unmonitored by registers) to assess the associated risk of financial loss over time. This data would help determine whether or not a stricter procedure for managing these assets would be beneficial. | Manager Infrastructure Engineering:<br><br>Agreed. |
| Managing pool vehicles | Light fleet pool vehicles are available for use by all employees. Cars must be booked via a Microsoft Outlook booking system. Pool vehicle keys are kept in a key cabinet within the office. The booking system and collection/returning of keys operates under an 'honesty system'. The pool | Introduce periodic checks of the pool vehicle key cabinet to ensure all keys are accounted for. | Manager Infrastructure Engineering:<br><br>Periodic checks are already |

| System or procedure | Description | Suggested actions | Officer comment |
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| | vehicles are parked in a secure carpark that is only accessible by employees (with swipe cards) and covered by a CCTV system.<br>The booking system is communicated to employees via the City's intranet including an instructional video. | Ensure pool vehicle bookings are limited to employees who hold an appropriate licence. This may be in the form of a tick box declaration during the Microsoft Outlook booking programme. | completed of the pool vehicle key cabinet to ensure keys are accounted for.<br>The City will investigate opportunity for declaration of licence through the Outlook booking tool. |
| Evaluating financial results against budgeted amounts and addressing incorrect accounting judgements | Monthly budget amendments are sent to council when required. Any funding requests which have not been previously budgeted for are sent to council for budgetary approval.<br>The City has a Project Management team which monitors capital items and operating projects. The team meets with managers monthly to discuss these matters, including errors in accounting judgements and estimates. There are representatives from the Budgeting team in the Project Management team.<br>The Budget Management Policy provides employees with some guidance. | | |
| Reviewing financial control accounts and trial balances | Reviews of financial control accounts and trial balances are conducted at the end of each month.<br>Reconciliation is completed by designated teams.<br>The budgeting officers will review team budgets with the relevant manager each month. Calendar reminders trigger the monthly reviews.<br>The relevant procedures are not captured in formal documents. | Capture procedures relating to financial control accounts and trial balances in a formal document. This may be included in the 'knowledge base' that the finance team intends to develop. | Manager Finance:<br>Finance will prepare written procedures on all end of month processes, control and balance sheet accounts reconciliations and trial balance reconciliation.<br>The new procedures will be included in the team's knowledge base. |
| Communicating financial matters with Council and | Monthly financial statements are reported to council during Ordinary Council Meetings. This includes, but is not limited to purchasing cards, accounts paid, investments and material variances. | | |



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| System or procedure | Description | Suggested actions | Officer comment |
|---|---|---|---|
| the Audit and Risk Management Committee | Adverse trends are recorded in council investment reports each month.<br>Long term planning and budgeting are discussed during council workshops.<br>The ARMC tends to focus on annual financial statements and ratios. The ARMC will also receive reports regarding other financial matters including purchasing exemptions and overdue debtors. | | |

| System or procedure | Description | Suggested actions | Officer comment |
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| Communicating tendering procedures to employees | The Request for Tender (**RFT**) procedure is captured in the Tender Procedure document (approved in November 2019). This document is available to all employees on the City's intranet.<br>The Tender Procedure does not provide guidance to employees on the requirements of the tendering process after a successful applicant has been chosen.<br>When the Tender Procedure or other key documents are amended, notifications are posted on the City's intranet and emailed to relevant employees. Internal workshops explaining the updates are also available for employees to attend. It is the responsibility of the employees to ensure they are up to date with policy. Amendments are also discussed at management team meetings. | Provide guidelines to employees regarding the requirements of the tendering process to be followed after a successful applicant has been chosen, either in the Tender Procedure or another formal document.<br>Keep a record of employee attendance at internal tendering workshops. This data will assist in identifying employees who may not be up to date with tendering and procurement requirements.<br>Include relevant delegations under 'related documents' in the Tender Procedure document. | Procurement Team Leader:<br>There is a tender procedure that has had an internal review (Management Team). We will check the procedure includes post – tender award process and put the procedure on CoFi. Note: The post-tender award process is discussed in the Tender Evaluation Training Sessions and general procurement workshops.<br>We are currently training teams in tender workshops with a record kept of those who attended and have passed the questions at the end. We will run a more general Procurement workshop throughout the year and record attendance at those events.<br>We will ensure the Tender procedure (see above) has this element included. |
| Quality and compliance control of tenders released | The Purchasing Policy (adopted February 2019) was based on the WALGA model policy. The policy is often reviewed, although not on a regular basis. During reviews, legislative obligations are considered. | Introduce a written procedure or checklist for the Procurement team to follow when checking tenders before | Procurement Team Leader:<br>The procurement team is to formalise a pre-release |





| System or procedure | Description | Suggested actions | Officer comment |
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| by the City. | The procurement practices are decentralised, with all employees completing their procurements in line with their department and role. However, all RFTs and RFQs are checked by the Procurement team before being released to the market. This check involves providing evidence that all requirements of the process have been correctly completed. There is no written procedure for this internal auditing procedure. | they are released to the market. | checklist for RFT and RFQ. **Note** the majority of items checked before release to market are on the 'Authority to Tender' eForm, which is required to be completed before the tender is released to market. |
| Tender assessment/ selection | The evaluation procedure for RFT submissions and assessment is found in the City's Tender Procedure document. More detail regarding scoring submissions is outlined in the evaluation workbooks, provided for all panel members. | | Procurement Team Leader:<br>We have on-going Tender evaluation training to reinforce the selection process and make the selection more robust |
| Risk assessments | The City has both a risk management policy and risk management framework.<br>Risks assessments are mostly conducted for major projects and events. The risk management policy/procedure is not widely known by officers and not consistently used between teams/departments.<br>The Events Management team has developed their own Risk Management Policy with the assistance of the Community Safety and Risk Officer. All events must have a comprehensive risk management plan and emergency management plan to be approved by the Events Management team.<br>This policy is in line with and references the Council Risk Management Policy. | Implement processes to reinforce awareness of risk management procedures with relevant employees.<br>Ensure all teams are managing risk in a manner which is consistent with the risk management policy and risk management framework. | Procurement Team Leader:<br>We will work with Management Team to identify employees who require knowledge of Risk Policy and Procedure. We will implement workshops to improve awareness and understanding of the Framework and Policy |
| Maintaining risk registers | The City maintains a corporate risk register. Other risk registers are captured within individual project management documents. The risk registers are therefore not standardised or centralised. | Develop a framework which enables cross referencing between risk registers to ensure all risks are adequately recorded, e.g. a list of all | Procurement Team Leader:<br>Will work with Management Team to identify all Risk |

| System or procedure | Description | Suggested actions | Officer comment |
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| | | registers. | registers across the City and put together a list of all Registers (Consider storing them all in the same location in the DMS). Risks identified across a number of Registers will be brought to ELT attention for action. |
| Risk management training | Risk management is not included in standard induction programmes. Risk management training is offered to employees involved in events and project management. | Review the risk assessment training programme to ensure all employees are aware of risk management processes. Include risk management training as part of the induction process where appropriate. | Procurement Team Leader:<br><br>Will review and advise Management Team on best way to implement this. |
| External event management | Event application packs are available from the City. Before the City approves externally proposed events, all relevant forms and documentation are assessed, e.g. road closure permits, stakeholder consultations, noise management plans and production schedule.<br>Event applications are categorised by levels of impact. Each impact level has different requirements to be met and procedures to be followed.<br>Employees managing events use Event Megasheet Templates to assist with organising events and identifying all standard factors that should be considered.<br>There is currently no formal policy or procedure for event management. This is in the process of being drafted. | | |
| Recruitment | The recruitment process requires a routine integrity check. This includes an identity check, licence checks, working with children checks, police check and qualification checks where appropriate. The requirements of the integrity checks are prescribed in a spreadsheet.<br>The City has a recruitment policy (adopted on 28 November 2017) which | Introduce a policy outlining the requirements for appointing a CEO and CEO performance reviews. If such a policy is already in existence, review | Director People and Culture:<br><br>Accepted and to be implemented. |





| System or procedure | Description | Suggested actions | Officer comment |
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| | describes the general objectives and details elements of the recruitment process including selecting a panel, advertising and dealing with conflicts of interest. This policy does not include specific requirements for appointing a CEO.<br>The practical process of recruiting is understood by relevant employees but has not been formally recorded in a recruitment procedure.<br>Recruitment processes are consistent throughout the City. | the policy in light of the 2019 amendments to the Act. | |
| Checking employee qualifications | Integrity checks during the recruitment process include sighting all required qualifications. A copy of each required qualification is kept in the employee's electronic file.<br>Licences and other qualifications which expire are routinely checked. This process is completed manually. There are currently no electronic reminders to manage such checks.<br>We understand that a new system will be implemented in early 2020. This system will send electronic reminders when licences are about to expire. | Monitor the new system, once in place, to ensure that electronic reminders for licence expiry dates are properly implemented. | Director People and Culture:<br><br>This is a feature of the new HRIS system. This will be monitored once in place. |
| Inductions and On-Boarding | All new employees complete an online induction programme prior to their first day at the City. The online induction requires employees to sign an electronic-form to acknowledge they have read and understood the information provided. The electronic-forms are saved in the relevant employee's electronic file.<br>All new employees complete a site-specific induction on their first day at the City. Each site has its own induction checklist. The checklist is not checked by the HR team after completion.<br>Council and administrative policies, including purchasing policies are included in inductions.<br>Delegations are not included in the induction or handover processes unless the role specifically requires actions under delegated authority. | Review the new online induction programme annually to ensure it remains contemporary and effective.<br>Introduce a requirement for forms to be signed following site specific inductions acknowledging that the employee has received and understood the information provided. | Director People and Culture:<br><br>Accepted |
| Skills gap analysis / | Supervision, Support and Achievement (**SSA**) meetings are held every four weeks for each employee and their manager/supervisor. This | | |

| System or procedure | Description | Suggested actions | Officer comment |
|---|---|---|---|
| Performance reviews | programme has been designed to support continuous feedback and development for all employees. The SSA programme is conducted in place of annual performance reviews.<br>Discussions during these meetings include goal setting and monitoring. All outcomes of these meetings are recorded electronically.<br>All managers/supervisors receive training to conduct the SSA meetings.<br>The objectives of the SSA programme are set out in the SSA Policy (adopted 11 October 2016). | | |
| Professional development and training | Organisational training workshops are organised by the People and Culture team (human resources) and are available to all employees. These workshops are not 'role specific'.<br>The employee's manager has discretion over technical training requirements of individual employees, specific to their roles. This process is not captured in a formal document such as a list of criteria/considerations. The manager is limited by budgetary restrictions.<br>SSA training for managers includes how to make judgements on who needs training and what sort of training is required.<br>All information regarding training is saved in the relevant employee's electronic folder. | Create a formal document to capture the process of determining when technical training is required. This may be a list of criteria that must be considered.<br>Capture training attendance in a centralised spreadsheet to ensure data can be easily compared and considered on a City-wide basis. | Director People and Culture:<br>To be considered. |
| Departing employees | When the People and Culture team receive a resignation letter, the People and Culture team will distribute an e-form detailing all required action from various departments, .e.g. the IT team will be required to ensure phones, laptops and other assets are collected from the departing employee.<br>The process is not centralised. Each department is responsible for completing their relevant section. There is no final City-wide or co-ordinated checks to ensure all requirements from all departments have been completed. | Introduce periodic checks to ensure that departments are following required actions in relation to departing employees. | Director People and Culture:<br>Accepted |
| Employee handovers | There is no formal process for capturing and handing over corporate knowledge when an employee is leaving or changing roles. This responsibility is left to individual employees to ensure they leave | Introduce formal guidelines for employees changing roles to encourage adequate transfer | Director People and Culture:<br>Accepted |





| System or procedure | Description | Suggested actions | Officer comment |
|---|---|---|---|
| | adequate handover notes if required. | of corporate knowledge. Such guidelines should make it easier to create handover notes when required.<br>These guidelines would also be relevant for departing employees. | |
| Confidential records (human resources) | Confidential employee files are controlled through the record keeping system and security classifications as previously discussed (see 'Accessing electronic records'). | | |

| System or procedure | Description | Suggested actions | Officer comment |
|---|---|---|---|
| Selection of stock for the Fremantle Arts Centre (**FAC**) | The Shop Manager has a checklist for choosing stock. The checklist is available on the City's website. The Shop Manager signs off on the checklist, which is then reviewed by the Managing Director responsible for the shop.<br>There is no formal procedure for determining the price of products. The Shop Manager is responsible for determining the prices based on their own experience and understanding of the market.<br>Most of the stock is on consignment. Commission received by the City is set in the Fees and Charges.<br>The employees at the FAC report that these practices are consistent with the City's Procurement Policy. | Introduce an administrative policy or administrative procedure to formalise the process of selecting and pricing stock. This document should include the relevant criteria to be considered or assessed. | Manager Arts and Culture:<br><br>Arts and Culture has an 'Artist Commissioning / Product selection document (draft provided). This outlines how stock is selected and includes assessment criteria. The document will be formalised as the procedure for selection of stock at FAC. |
| Selection and management of musical events at the FAC | The South Lawn of the FAC is available for selected musical events. The venue and bar are managed by the City during these events.<br>The Event Coordinator and an assigned Event Manager are responsible for managing the event. There is a standard South Lawn Events checklist to assist in the management of events.<br>There are no formal criteria or checklist for selecting musicians. The selection is completed at the discretion of the FAC employees based own their own experience and expertise.<br>The number of events is limited due to the Noise Management Plan.<br>The selection of musicians for free Sunday musical performances in the Front Gardens of the FAC is completed by the Music Programmer. Acts are chosen based on an informal criterion and their own expertise. This selection process is not formally recorded. | Introduce an administrative policy or procedure to formalise the process of selecting musical events. This document should include the relevant criteria to be considered or assessed. | Manager Arts and Culture:<br><br>Arts and Culture has an 'Artist Commissioning document (draft provided). This outlines how music artists are selected and includes assessment criteria. The document will be formalised as the procedure for selection of artists at FAC. |





| System or procedure | Description | Suggested actions | Officer comment |
|---|---|---|---|
| Selection of art exhibitions at the FAC | Selection of exhibiting artists is undertaken by the Exhibition Curator and their team. Selection is based on their expertise and an informal set of criteria. This selection process is not formally recorded.<br>Exhibition Curators sometimes have to operate within criteria set by relevant grants. | Introduce an administrative policy or procedure to formalise the process of selecting exhibiting artists. This document should include the relevant criteria to be considered or assessed. | Manager Arts and Culture:<br><br>Arts and Culture has an 'Artist Commissioning document (draft provided). This outlines how visual artists are selected and includes assessment criteria. The document will be formalised as the procedure for selection of artists at FAC. |

## Appendix 1: Resources (employees interviewed)

| Name | Position/Title |
|---|---|
| Aimee Drew | Events Management Officer |
| Alexandra Peach | Governance Officer |
| Amanda Boffey | Information Management Team Leader |
| Beverley Bone | Manager Community Development |
| Charlie Clarke | Manager Governance |
| Craig Best | Manager Assets Management |
| Joel Hurst | Manager Information Technology |
| Kathryn Taylor | Manager Arts and Culture |
| Kevin Porter | Procurement Team Leader |
| Marisa Spaziani | Director People and Culture |
| Narelle French | Manager Finance |

## Appendix 2: Resources (documents sighted)

| Document Title | Date |
|---|---|
| Administration Policy – City Document Management | Sept 2018 (adopted) |
| Administration Policy – Purchasing Policy | Feb 2019 (adopted) |
| Administration Policy – Recruitment, Selection, Appointment and Remuneration | Nov 2017 (adopted) |
| Administration Policy – Supervision, Support and Achievement Policy (SSA) | Oct 2016 (adopted) |
| AP EFT Payment (23.10.19) | Oct 2019 |
| Apply to Sell form (FAC art stock) | NA |
| Council Committees and Groups Register | October 2019 (adopted) |
| Council Policy – Internal Groups | March 2018 (adopted) |
| Events Mega Sheet Remembrance Day 2019 | Nov 2019 |
| Governance Procedure – Annual Review of the Delegated Authority Register | Sept 2018 (approved) |
| Memorandum - Request to Sale 9 (4x Drawer) Metal Filing Cabinets | Sept 2019 |
| Minutes Ordinary Meeting of Council 23 October 2019 | October 2019 |
| Policy - Breakout Areas Approval Process for Licensed Premises Under the Liquor Act | NA |
| Policy – Car Share | Nov 2014 (adopted) |
| Policy – Elected Member Professional Development Policy | May 2018 (adopted) |
| Procedure – New Users | Feb 2019 |
| Procedure – Tenders | Nov 2019 (approved) |
| Purchase FOGO Bins (screenshot) | NA |
| Register of Delegated Authority | June 2019 (adopted) |
| Selection Criteria Check Sheet (FAC art stock) | NA |
| South Lawn Event Checklist (Billie Eilish) | May 2019 |
| Tender Approval Application Form (Graffiti Removal) | NA |

## Disclaimer

This report has been prepared on the basis of information provided to Civic Legal by the employees of the City of Fremantle. The information was provided in the course of a review conducted by Civic Legal. That review was in the nature of a due diligence exercise, calculated to produce the descriptions contained in this report. Where options are suggested for management action, they do not constitute legal advice, as the provision of legal advice is outside the scope of the review. It is also outside the scope of this review for Civic Legal to review the content of any individual policies, plans or other documents.

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## ARMC2002-2 ADOPTION OF THE 2019 COMPLIANCE AUDIT RETURN

## ATTACHMENT 1 - 2019 Compliance Audit Return



Department of Local Government, Sport and Cultural Industries

### Fremantle - Compliance Audit Return 2019

#### Commercial Enterprises by Local Governments

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

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## Delegation of Power / Duty

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s5.16, 5.17, 5.18 | Were all delegations to committees resolved by absolute majority? | Yes | Item FPOL1906-7 at OCM 26/6/19 | D Baker |
| 2 | s5.16, 5.17, 5.18 | Were all delegations to committees in writing? | Yes | See above | D Baker |
| 3 | s5.16, 5.17, 5.18 | Were all delegations to committees within the limits specified in section 5.17? | Yes | | D Baker |
| 4 | s5.16, 5.17, 5.18 | Were all delegations to committees recorded in a register of delegations? | Yes | Revised register adopted 26/6/19 | D Baker |
| 5 | s5.18 | Has Council reviewed delegations to its committees in the 2018/2019 financial year? | Yes | See above | D Baker |
| 6 | s5.42(1),5.43 Admin Reg 18G | Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act? | Yes | | D Baker |
| 7 | s5.42(1)(2) Admin Reg 18G | Were all delegations to the CEO resolved by an absolute majority? | Yes | Item FPOL1906-7 at OCM 26/6/19 | D Baker |
| 8 | s5.42(1)(2) Admin Reg 18G | Were all delegations to the CEO in writing? | Yes | | D Baker |
| 9 | s5.44(2) | Were all delegations by the CEO to any employee in writing? | Yes | | D Baker |
| 10 | s5.45(1)(b) | Were all decisions by the Council to amend or revoke a delegation made by absolute majority? | Yes | Item FPOL1906-7 at OCM 26/6/19 | D Baker |
| 11 | s5.46(1) | Has the CEO kept a register of all delegations made under the Act to him and to other employees? | Yes | | D Baker |
| 12 | s5.46(2) | Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2018/2019 financial year? | Yes | | D Baker |
| 13 | s5.46(3) Admin Reg 19 | Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required? | Yes | Reported to Council monthly and recorded in the City's record keeping system | D Baker |

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## Fremantle - Compliance Audit Return 2019

### Disclosure of Interest

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s5.67 | If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68)? | Yes | | D Baker |
| 2 | s5.68(2) | Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings? | N/A | No s. 5.68(1) decisions made in 2019 | D Baker |
| 3 | s5.73 | Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made? | Yes | | |
| 4 | s5.73 | Where the CEO had an interest relating to a gift under section 5.71A(1), was written notice given to the Council? | N/A | No gifts were received by CEO in 2019 requiring a disclosure under s. 5.71A | D Baker |
| 5 | s5.73 | Where the CEO had an interest relating to a gift in a matter in respect of a report another employee is providing advice on under section 5.71A (3), was the nature of interest disclosed when the advice or report was provided? | N/A | As above | D Baker |
| 6 | s5.75(1) Admin Reg 22 Form 2 | Was a primary return lodged by all newly elected members within three months of their start day? | Yes | | D Baker |
| 7 | s5.75(1) Admin Reg 22 Form 2 | Was a primary return lodged by all newly designated employees within three months of their start day? | Yes | | D Baker |
| 8 | s5.76(1) Admin Reg 23 Form 3 | Was an annual return lodged by all continuing elected members by 31 August 2019? | Yes | | D Baker |
| 9 | s5.76(1) Admin Reg 23 Form 3 | Was an annual return lodged by all designated employees by 31 August 2019? | Yes | | D Baker |
| 10 | s5.77 | On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return? | Yes | | D Baker |
| 11 | s5.88(1)(2) Admin Reg 28 | Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76? | Yes | | D Baker |
| 12 | s5.88(1)(2) Admin Reg 28 | Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28? | Yes | | D Baker |

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| 13 | s5.89A Admin Reg 28A | Did the CEO keep a register of gifts which contained a record of disclosures made under section 5.71A, in the form prescribed in Administration Regulation 28A? | Yes | Register contains no entries. See answer to question 4. | D Baker |
| 14 | s5.88 (3) | Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76? | Yes | | D Baker |
| 15 | s5.88(4) | Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee? | Yes | | D Baker |
| 16 | s5.103 Admin Reg 34C & Rules of Conduct Reg 11 | Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes? | Yes | Scrutiny of council minutes reveals disclosures regularly recorded | D Baker |
| 17 | s5.70(2) | Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report? | N/A | No disclosures in 2019 | D Baker |
| 18 | s5.70(3) | Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee? | N/A | No disclosures in 2019 | D Baker |
| 19 | s5.103(3) Admin Reg 34B | Has the CEO kept a register of all notifiable gifts received by Council members and employees? | Yes | On the City's website | D Baker |

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# Fremantle - Compliance Audit Return 2019

## Disposal of Property

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s3.58(3) | Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5))? | Yes | 2 properties were advertised for disposal by tender in 2019. Tender process unsuccessful on both occasions, both properties proceeded to open market sale in accordance with s. 3.58(3) | N Weller |
| 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 | Sample checking of advertisements shows the City is compliant with s. 3.58(3) and (4) | D Baker |

## Elections

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

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# Fremantle - Compliance Audit Return 2019

## Finance

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s7.1A | Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act? | Yes | | D Baker |
| 2 | s7.1B | Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority? | N/A | No powers delegated to the Audit Committee per Part 7 of the Act | D Baker |
| 3 | s7.3(1) | Was the person(s) appointed by the local government under s7.3(1) to be its auditor, a registered company auditor? | N/A | The City's contract with its auditor expired in 2018 without a replacement contract being made. Following this, the City was advised by the Office of the Auditor General that it would be conducting the City's audit for 2019 and 2020 in accordance with s. 7.7(1)(b) | D Baker |
| 4 | s7.3(1), 7.6(3) | Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council? | N/A | See answer to question 3 | D Baker |
| 5 | Audit Reg 10 | Was the Auditor's report(s) for the financial year(s) ended 30 June received by the local government within 30 days of completion of the audit? | Yes | | D Baker |
| 6 | s7.9(1) | Was the Auditor's report for the financial year ended 30 June 2019 received by the local government by 31 December 2019? | Yes | Received 9 December 2019 | D Baker |
| 7 | S7.12A(3) | Where the local government determined that matters raised in the auditor's report prepared under s7.9(1) of the Act required action to be taken, did the local government, ensure that appropriate action was undertaken in respect of those matters? | Yes | Matters raised in the OAG audit report will be addressed as part of Long Term Financial Plan review in 2020 | D Baker |
| 8 | S7.12A (4) | Where the auditor identified matters as significant in the auditor's report (prepared under s7.9(1) of the Act), did the local government prepare a report stating what action had been taken or it intended to take with respect to each of the matters and give a copy to the Minister within 3 months after receipt of the audit report? | Yes | Report submitted to Council's Audit and Risk Committee on 13 January 2020 | D Baker |
| 9 | S7.12A (4) | Within 14 days after the local government gave a report to the | Yes | | D Baker |

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| | | Minister under s7.12A(4) (b), did the CEO publish a copy of the report on the local government's official website? | | | |
| 10 | Audit Reg 7 | Did the agreement between the local government and its auditor include the objectives of the audit? | N/A | See answer to question 3 | D Baker |
| 11 | Audit Reg 7 | Did the agreement between the local government and its auditor include the scope of the audit? | N/A | See answer to question 3 | D Baker |
| 12 | Audit Reg 7 | Did the agreement between the local government and its auditor include a plan for the audit? | N/A | See answer to question 3 | D Baker |
| 13 | Audit Reg 7 | Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor? | N/A | See answer to question 3 | D Baker |
| 14 | Audit Reg 7 | Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor? | N/A | See answer to question 3 | D Baker |

## Integrated Planning and Reporting

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s5.56 Admin Reg 19DA (6) | Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments? | Yes | Adopted OCM 26/6/19 | D Baker |
| 2 | s5.56 Admin Reg 19DA (4) | Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at? | Yes | See above | D Baker |
| 3 | s5.56 Admin Reg 19C | Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments? | Yes | Adopted OCM 20/6/19 | D Baker |
| 4 | s5.56 Admin Reg 19C (4) | Has the local government reviewed the current Strategic Community Plan. If Yes, please provide date of most recent review by Council in Comments.<br><br>Note: If the current Strategic Community Plan was adopted after 1/1/2016, please respond N/A and provide adoption date in Comments? | N/A | See above | D Baker |
| 5 | S5.56 Admin Reg 19DA (3) | Has the local government developed an Asset Management Plan(s) that covers all asset classes. If Yes, please provide the date of the most recent Plan adopted by Council in Comments? | Yes | Asset management plans developed for asset classes and individual assets. Considered as part of the Corporate Business Plan review Adopted OCM 20/6/19 | D Baker |

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| 6 | S5.56 Admin Reg 19DA (3) | Has the local government developed a Long Term Financial Plan. If Yes, please provide the adoption date of the most recent Plan in Comments? | Yes | Adopted in 2015. Effective 2015-2025 | D Baker |
| 7 | S5.56 Admin Reg 19DA (3) | Has the local government developed a Workforce Plan. If Yes, please provide adoption date of the most recent Plan in comments? | No | | D Baker |

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## Fremantle - Compliance Audit Return 2019

### Local Government Employees

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | Admin Reg 18C | Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised? | N/A | No change of CEO in 2019 | D Baker |
| 2 | s5.36(4) s5.37(3), Admin Reg 18A | Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A? | Yes | One senior appointment: Director Community Development see item C1908-6 from OCM 28/8/19 | D Baker |
| 3 | Admin Reg 18F | Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4)? | N/A | No change of CEO in 2019 | D Baker |
| 4 | Admin Regs 18E | Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only)? | N/A | No change of CEO in 2019 | D Baker |
| 5 | s5.37(2) | Did the CEO inform Council of each proposal to employ or dismiss a designated senior employee? | Yes | See item C1908-6 from OCM 28/8/19 | D Baker |

### Official Conduct

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s5.120 | Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer? | N/A | CEO is Complaints Officer | D Baker |
| 2 | s5.121(1) | Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c)? | Yes | | D Baker |
| 3 | s5.121(2)(a) | Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made? | Yes | | D Baker |
| 4 | s5.121(2)(b) | Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint? | Yes | | D Baker |

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| 5 | s5.121(2)(c) | Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred? | Yes | | D Baker |
| 6 | s5.121(2)(d) | Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c)? | Yes | | D Baker |

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return

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## Fremantle - Compliance Audit Return 2019

### Optional Questions

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | Financial Management Reg 5(2)(c) | Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Local Government (Financial Management) Regulation 5(2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments? | Yes | Submitted to Council OCM 13/12/17. A review is scheduled for February 2020. | N French |
| 2 | Audit Reg 17 | Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments? | Yes | Reported to Council OCM 20/5/19 | D Baker |
| 3 | Financial Management Reg 5A. | Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019? | No | Reported in financial statements submitted to Council's Audit & Risk Committee 20/11/19 and included in 2019 draft Annual Report | D Baker |
| 4 | S6.4(3) | Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019? | Yes | Provided on 9/9/19 | D Baker |

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## Fremantle - Compliance Audit Return 2019

### Tenders for Providing Goods and Services

| No | Reference | Question | Response | Comments | Respondent |
|---|---|---|---|---|---|
| 1 | s3.57 F&G Reg 11 | Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2))? | Yes | | K Porter |
| 2 | F&G Reg 12 | Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract? | Yes | | K Porter |
| 3 | F&G Reg 14(1) & (3) | Did the local government invite tenders via Statewide public notice? | Yes | | K Porter |
| 4 | F&G Reg 14 & 15 | Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16? | Yes | Sample checking of advertisements shows compliance with r. 14, 15 & 16 | D Baker |
| 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 | | K Porter |
| 6 | F&G Reg 16 | Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16? | Yes | | K Porter |
| 7 | F&G Reg 18(1) | Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender? | Yes | | K Porter |
| 8 | F&G Reg 18 (4) | In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria? | Yes | | K Porter |
| 9 | F&G Reg 17 | Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection? | Yes | | K Porter |
| 10 | F&G Reg 19 | Did the CEO give each tenderer written notice advising particulars of the successful tender or advising that no tender was accepted? | Yes | | K Porter |
| 11 | F&G Reg 21 & 22 | Did the local governments advertising | Yes | | K Porter |

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| | | and expression of interest documentation comply with the requirements of F&G Regs 21 and 22? | | | |
| 12 | F&G Reg 23(1) | Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice? | N/A | 1 response only | K Porter |
| 13 | F&G Reg 23(4) | After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services? | Yes | | K Porter |
| 14 | F&G Reg 24 | Did the CEO give each person who submitted an expression of interest, a notice in writing in accordance with Functions & General Regulation 24? | Yes | | K Porter |
| 15 | F&G Reg 24AC (1) & (2) | Has the local government established a policy on procurement of goods and services from pre-qualified suppliers in accordance with the regulations? | N/A | The City does not use pre-qualified suppliers | K Porter |
| 16 | F&G Reg 24AD(2) | Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice? | N/A | | K Porter |
| 17 | F&G Reg 24AD(4) & 24AE | Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE? | N/A | | K Porter |
| 18 | F&G Reg 24AF | Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application? | N/A | | K Porter |
| 19 | F&G Reg 24AD(6) | If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, given notice of the variation? | N/A | | K Porter |
| 20 | F&G Reg 24AH(1) | Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications? | N/A | | K Porter |
| 21 | F&G Reg 24AH(3) | In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria? | N/A | | K Porter |
| 22 | F&G Reg 24AG | Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG? | N/A | | K Porter |

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| 23 | F&G Reg 24AI | Did the CEO send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted? | N/A | | K Porter |
| 24 | F&G Reg 24E | Where the local government gave a regional price preference, did the local government comply with the requirements of F&G Reg 24E including the preparation of a regional price preference policy? | N/A | No regional price preference given | K Porter |
| 25 | F&G Reg 24F | Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy? | N/A | | K Porter |
| 26 | F&G Reg 11A | Does the local government have a current purchasing policy that comply with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, $150,000 or less? | Yes | Revised purchasing policy adopted by Council 27/2/19 | D Baker |
| 27 | F&G Reg 11A | Did the local government comply with it's current purchasing policy in relation to the supply of goods or services where the consideration under the contract is, or is expected to be $150,000 or less or worth $150,000 or less? | Yes | Spot audits are conducted by purchasing staff | D Baker |