

# CITY OF ARMADALE

## AGENDA

**OF CITY AUDIT COMMITTEE TO BE HELD IN THE FUNCTION ROOM,  
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON TUESDAY,  
9 MARCH 2021 AT 7.00PM.**

---

*A meal will be served at 6:15 p.m.*

### **PRESENT:**

**APOLOGIES:** Cr H T Jones (Leave of Absence)

### **OBSERVERS:**

### **IN ATTENDANCE:**

### **PUBLIC QUESTION TIME**

---

#### **Note:**

The Audit Committee is a formally appointed committee of council responsible to that body and does not have any power or duty from the Council. As the matters discussed may be of a sensitive and confidential nature which, if disclosed could reasonably be expected to impair the effectiveness of the audit process, the Audit Committee meetings are closed to the public. – Council resolution CS53/10/2020 refers.

*“For details of Councillor Membership on this Committee, please refer to the City’s website – [www.armadale.wa.gov.au/your\\_council/councillors](http://www.armadale.wa.gov.au/your_council/councillors).”*

**DECLARATION OF MEMBERS' INTERESTS**

---

**CONFIRMATION OF MINUTES**

**RECOMMEND**

**Minutes of the City Audit Committee Meeting held on 8 December 2020 be confirmed.**

# CONTENTS

## CITY AUDIT COMMITTEE

9 MARCH 2021

---

### 1. MISCELLANEOUS

1.1	REGULATION OF CONSUMER FOOD SAFETY BY LOCAL GOVERNMENTS REVIEW .....	2
1.2	BIANNUAL RISK REPORT - MARCH 2021 .....	5
1.3	INTERNAL AUDIT ACTIONS STATUS UPDATE MARCH 2021 .....	11
1.4	EXTERNAL AUDIT ACTION STATUS UPDATE - MARCH 2021 .....	14
1.5	WORKING WITH CHILDREN CHECKS MANAGING COMPLIANCE - REVIEW .....	17
1.6	RECORDS MANAGEMENT INTERNAL AUDIT .....	20
1.7	STRATEGIC RISK ASSESSMENT - MARCH 2021 .....	23
1.8	2020 COMPLIANCE AUDIT RETURN.....	26

### 2. COUNCILLORS' ITEMS

NIL .....	31
-----------	----

SUMMARY OF ATTACHMENTS .....	32
------------------------------	----

***1.1 - REGULATION OF CONSUMER FOOD SAFETY BY LOCAL GOVERNMENTS  
REVIEW***

---

WARD : ALL  
FILE No. : M/80/21  
DATE : 5 February 2021  
REF : FW  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- The City has undertaken a review of its system and processes for managing the regulation of consumer food safety in accordance with the recommendations from the Office of the Auditor General's 2020 performance audit in this area of two other Local Governments. A number of opportunities for improvement were identified and implemented.
- Recommend that Council note the City's response to the Office of the Auditor General's Performance Audit recommendations regarding the regulation of consumer food safety by Local Governments

**Tabled Items**

Nil

**Decision Type**

- Legislative** The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive** The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial** The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

- 1.2.2 – Provide opportunities to improve health outcomes for everyone.  
4.2.2 – Implement business plans and practices that improve service delivery

**Legal Implications**

*Food Act 2008*  
Australia New Zealand Food Standards Code

**Council Policy/Local Law Implications**

Nil

**Budget/Financial Implications**

Nil

**Consultation**

Manager Health Services  
Executive Leadership Team

**BACKGROUND**

In June 2020, the Office of the Auditor General (OAG) released an audit report on “Regulation of Consumer Food Safety by Local Government Entities” (see attached).

The audit reviewed whether local government entities effectively regulate consumer food safety in food businesses in their local area in accordance with the requirements of the *Food Act 2008* and the Australia New Zealand Food Standards Code.

The City of Armadale was not a participant in the OAG’s audit on this topic, however the OAG provided findings they believe should be considered by all Local Governments.

**DETAILS OF PROPOSAL**

The OAG report recommended that Local Government entities should:

1. Ensure food business inspections are prioritised and carried out according to their risk classification
2. Ensure changes to inspection frequencies are only made based on a documented assessment of compliance history or other urgent requirement
3. Improve recordkeeping for food business inspections and compliance reporting to:
  - a. better understand inspection and compliance history
  - b. identify compliance issues and follow-up activities
  - c. respond to emerging food safety issues
4. Develop procedures and staff guidance to ensure non-compliant food businesses are followed up and Standards enforced in a consistent and timely manner
5. Work with the Department of Health in the development and implementation of new electronic food safety inspection and recordkeeping systems.

**ANALYSIS**

City staff have proactively compared the City’s systems and processes against the OAG’s audit approach and findings as a benchmarking exercise. This was undertaken by seeking a copy of the full checklist used by the OAG to perform the audits of the chosen Local Governments and completing a desktop review to determine where improvements could be made. Seven (7) opportunities for improvement were identified which relate to administrative procedures only and not to any non-compliance with the *Food Act 2008*. The opportunities for improvement identified have all been actioned and in most instances completed.

The City's review and response to the Regulation of Consumer Food Safety by Local Government Entities audit is attached.

### **CONCLUSION**

The City has undertaken a review of its system and processes for managing the regulation of consumer food safety in accordance with the recommendations from the Office of the Auditor General's 2020 performance audit in this area. A number of opportunities for improvement were identified and implemented

### **RECOMMEND**

**That Council note the City's response to the Office of the Auditor General's Performance Audit recommendations regarding the regulation of consumer food safety by Local Governments**

### **ATTACHMENTS**

1.  OAG Performance Report\_Regulation-of-Consumer-Food-Safety-by-Local-Government-Entities
2.  Regulation of Consumer Food Safety by Local Governments OAG Audit CoA response - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*

---

***1.2 - BIENNIAL RISK REPORT - MARCH 2021***

---

WARD : ALL  
FILE No. : M/81/21  
DATE : 5 February 2021  
REF : FW  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- This report provides a summary of the risk activities completed in the last 6 months, those proposed for the next six months and the annual update on the structure and completeness of risk registers.
- Recommend that Council note the Biannual Risk Report for March 2021

**Tabled Items**

Nil

**Decision Type**

- Legislative**                      The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive**                              The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial**                      The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.1.2 – Make decisions that are sound, transparent and strategic

**Legal Implications**

Nil

**Council Policy/Local Law Implications**

ADM25 – Risk Management Policy

**Budget/Financial Implications**

Nil

**Consultation**

1. Operational Management Team
2. Executive Leadership Team

## **BACKGROUND**

The City's Risk Management Framework recommends that risk reports containing information relating to operational risks are provided to Council on a quarterly basis and an update on the structure and completeness of risk registers is provided to Council annually.

The City Audit Committee reporting is stipulated in the Risk Management Framework on a quarterly basis to include the following:

1. Critical and High Risks
2. Risks with inadequate controls
3. Strategic Risk register review

The last report on the City's Risk Management activities was presented to the City Audit Committee at the meeting held on 5 August 2020. The "COVID-19 Risks and Resilience" report provided Council with an overview of the risk management and business continuity initiatives which were implemented to guide the City's response to the COVID-19 pandemic.

At the City Audit Committee meeting in October 2020 five assessed strategic risks were presented to the Committee for review and subsequently noted by Council. A separate report in this agenda presents two recently assessed strategic risks.

The last report on the structure and completeness of the risk registers was reported to the City Audit Committee and noted by Council in March 2020.

## **DETAILS OF PROPOSAL**

### Business Area Risk Review

The formal annual review of the City's business area risks is incorporated into the development of the Business Area Plans. In 2020, this process was undertaken by Managers between October and December.

Twenty eight (28) business areas maintain a risk register. Twelve (12) of these risk registers haven been formally reviewed, updated and noted as complete. This results in 298 of the 493 business area risks being reviewed or 60% completion rate.

Between October and November 2020, Managers' attention was focused on Business Continuity Planning and preparing for a second wave of COVID-19. These Business Continuity Plans were recently activated with the lockdown imposed during the first week of February.

It is also relevant to note that during 2020, staff have been required to balance significant additional workloads and this has placed a considerable strain on many areas of the organisation. The additional workload has been either directly or indirectly resulting from the COVID-19 pandemic or due to other organisational change such as the Planning and Performance Improvement program. This program includes the development of Business Area Plans, the Four Year Budget and proposals for the new Corporate Business Plan. Careful consideration has been given to the prioritisation of required actions and in some instances formal review processes such as the annual review of the risk registers have not been able to be completed.

During 2021 new processes are planned for implementation which will result in monthly reviews of risks at a Business Area team level. This will include a review of risk registers as well as ongoing discussions of new and emerging risks and assurance of control effectiveness. The intended outcome of this strategy is to embed risk further into the culture of the organisation and ensure that monitoring and review of risks is an ongoing process and not an annual one.

The results of the 2020 risk review process are illustrated in the summary table below:

Inherent Risks			Residual Risks			Reviewed		Control Effectiveness by Residual Rating			
	No.	%		No.	%	No.	%	Excellent	Good	Inadequate	Unknown
Critical	36	7%	Critical	0	0%						
High	77	16%	High	7	1%	7	100%		7	0	0
Medium	273	55%	Medium	147	30%	144	98%	51	88	2	6
Low	107	22%	Low	339	69%	147	43%	81	235	8	15
<b>Total</b>	<b>493</b>	<b>100%</b>	<b>Total</b>	<b>493</b>	<b>100%</b>	<b>298</b>	<b>60%</b>	<b>132</b>	<b>330</b>	<b>10</b>	<b>21</b>
								27%	67%	2%	4%

## ANALYSIS

The assessment results indicate that 94% of documented Business Area risks have either good or excellent controls, hence 99% of residual risks are rated as low or medium, which in accordance with the City’s risk appetite are managed through line Manager oversight and monitoring and routine procedures.

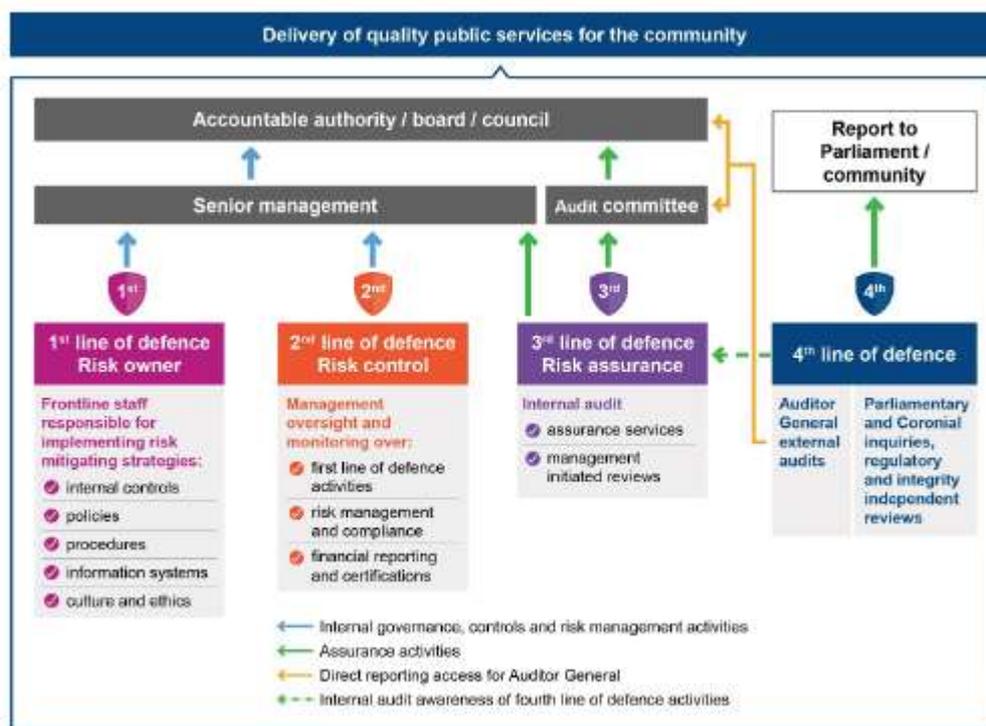
Within the business area risk registers, there are no critical residual risks. Details of the business area residual high risks are provided in the attachment to this report. Details of the risks with inadequate controls will be provided to the next City Audit Committee following a completed review of all risk registers.

### Fourth Line of Defence

The “Lines of Defence Model” is a widely known concept of how different mechanisms work together to manage risks and ensure controls are implemented and effective.

The Office of the Auditor General (OAG) in the “WA Public Sector Audit Committees – Better Practice Guide” suggests that there is a fourth defence to be added to the commonly known three lines of defence. The OAG suggests that the fourth line of defence incorporates information or audits from external auditors, regulators, parliamentary committees and other integrity bodies. The activities for each line of defence and the communication flow is represented in the diagram 1 below.

**Diagram 1: WA Public Sector Four Lines of Defence Model**



Source: OAG – Western Australian Public Sector Audit Committees Better Practice Guide

The City’s draft Corporate Business Plan includes the following action:

4.1.3.6 Ensure that the City's operations is proactively compared with the findings and recommendations of external reviews, such as Office of the Auditor General Performance Audits, and promptly takes any corrective measures necessary to ensure compliance

To support the City’s existing processes for identifying new risks and managing existing risks, a new system of review has been implemented which compares the findings of OAG performance audits against current City practices to identify gaps. The first two reports of this kind have been included separately in this agenda in report items 1.1 and 1.5.

**Risk management activities planned for 2021**

A report on the further development of the City’s risk management system will be presented to the Corporate Services committee in March 2021. This report undertakes a maturity assessment of the existing system and determines opportunities for improvement under the following four categories:

1. Strategy and Governance
2. Monitoring and Review
3. Culture
4. System and Process

The actions identified in the report for implementation in 2021 include the following:

Action	Responsibility	Timeframe
<b>Undertake genuine team risk discussions on a monthly basis at teams meetings</b>	All Managers	June 2021
<b>Implement a Team Agenda template which incorporates risk discussions</b>	Business Improvement Coordinator	June 2021
<b>Provide guidance to Managers on facilitating risk conversations with their team.</b>	Business Improvement Coordinator	June 2021
<b>Formalise and implement a risk escalation process</b>	Business Improvement Coordinator	June 2021
<b>Risk insight and review reporting discussions at OMT on a quarterly basis</b>	Executive Director Corporate Services	September 2021
<b>Business Improvement Coordinator (or proxy) to attend Directorate Management meetings quarterly to discuss risk</b>	Business Improvement Coordinator	September 2021
<b>Executive provided with risk insight and review reporting for executive leadership team meetings on a monthly basis</b>	Business Improvement Coordinator	September 2021
<b>Finalise the draft Business Continuity Management Response Structure</b>	Business Improvement Coordinator	September 2021
<b>Review and update the current ICT Disaster Recovery Plan</b>	Manager ICT	December 2021
<b>Further incorporate the consideration of risk management in business planning.</b>	Business Improvement Coordinator	December 2021
<b>Develop and seek endorsement of a Business Continuity Policy</b>	Business Improvement Coordinator	December 2021
<b>Implementation of OneCouncil risk management module</b>	Business Improvement Coordinator	December 2021
<b>Development of risk reports (through OneCouncil)</b>	Business Improvement Coordinator	December 2021

## CONCLUSION

During 2020 many risk management and business continuity strategies and actions were implemented to respond to the COVID-19 pandemic. The organisation has participated in additional organisational change through the implementation of the Planning and Performance Improvement Program. The additional workload and subsequent strain on staff has meant that some formal operational processes such as the annual review of risk registers has not been completed in all areas. In 2021 a new system will be implemented to facilitate a more regular and consistent approach to the monitoring and review of risks.

**RECOMMEND**

**That Council note the Biannual Risk Report for March 2021.**

**ATTACHMENTS**

1. March 2021 - Risks with High Residual Risk Rating - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*

***1.3 - INTERNAL AUDIT ACTIONS STATUS UPDATE MARCH 2021***

---

WARD : ALL  
FILE No. : M/86/21  
DATE : 8 February 2021  
REF : FW  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- The status of the agreed actions to address the recommendations from the City's first five internal audits has been reviewed and updated. A summary of the status of the outstanding actions and details of the completed actions are provided.
- Recommend that Council accept the Biannual Internal Audit Action Status Update

**Tabled Items**

Nil

**Decision Type**

- Legislative**                      The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive**                              The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial**                      The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.2.2 Implement business plans and practices that improve service delivery

**Legal Implications**

Nil

**Council Policy/Local Law Implications**

Nil

**Budget/Financial Implications**

Nil

**Consultation**

1. All Council staff subject to previous internal audit
2. Executive Leadership Team

## **BACKGROUND**

During the first 18 months of operation of the new internal audit function, five internal audits were completed by Crowe. All of these audits have been reported to the City Audit Committee and endorsed by Council. A list of the completed audits and dates reported to the City Audit Committee is as follows:

1. Procurement and Contract Management - 29 July 2019
2. Armadale Fitness and Aquatic Centre – 3 October 2019
3. Compliance Audit Return – 3 October 2019
4. IT General Controls – 26 November 2019
5. Emergency Management – 5 August 2020

The 2020/21 Internal Audit Plan was endorsed by Council in October 2020 and includes the following internal audits:

- Record Management
- Workforce working from home
- Management of Contractors and Volunteers
- Procurement
- Community Consultation

The Record Management Internal Audit was completed in December 2020 and the report is included in this agenda. The Workforce working from home audit is currently in progress.

The last Internal Audit Status Update report was presented to the City Audit Committee in March 2020. Hence all information referenced in this report relates to the period following this meeting to February 2021.

## **DETAILS OF PROPOSAL**

### Internal Audit Action Status Update

A register has been established which enables the monitoring of the progress of the agreed actions which address the auditors recommendations. Progress updates have been provided from management which include:

- Revised status of the action
- Proposal of revised completion dates (if appropriate)
- Comments on the implementation of the actions.

The confidential attachments includes an overview of the status of the actions and a summary of the outstanding actions and actions that have been completed since the previous internal audit status update report presented to the City Audit Committee in March 2020. Actions previously reported as completed are not included in the summary report.

The requirements of the City's response to the COVID-19 pandemic and the workload resulting from the City's Planning and Performance Improvement Program have resulted in a re-prioritisation of staff resources. As a result the completion dates for some of the internal audit actions have been revised and extended.

Internal Audit Activities undertaken during the period March 2020 to February 2021

1. The 2020 Internal Audit Plan adopted by Council in March 2020 was revised and amended to cover the financial year period of 2020/21.
2. The end date of the contract for the City's Internal Auditor, Crowe Australasia was extended from the end of February 2021 to 30 June 2021 to enable the financial year internal audit plan to be completed.
3. The Records Management Internal Audit was completed.
4. The Workforce Health and Safety – Working from Home internal audit has commenced.

Internal Audit Activities Planned for March 2021 to June 2021.

1. Completion of the following internal audits:
  - a. Workforce Health and Safety – Working From Home
  - b. Procurement review in Property Services
  - c. Contractors and Volunteers
  - d. Community Engagement
2. Undertake a request for quote for internal audit services to complete the community engagement internal audit
3. Undertaken a request for tender for internal audit services commencing 1 July 2021
4. Prepare an Internal Audit Plan for 2021/22

**CONCLUSION**

The status of the agreed actions to address the recommendations from the City's first five internal audits has been reviewed and updated. Completion dates for some actions have been revised and extended due to the re-prioritisation of staff resources as a result of the COVID-19 pandemic.

**RECOMMEND**

**That Council accepts the Biannual Internal Audit Status update**

**ATTACHMENTS**

1. Internal Audit Status Report Overview - March 2021 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*
2. Internal Audit Actions Completed since March 2020 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*
3. Internal Audit Action Actions Outstanding Update – March 2021 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*

***1.4 - EXTERNAL AUDIT ACTION STATUS UPDATE - MARCH 2021***

WARD : ALL  
FILE No. : M/88/21  
DATE : 8 February 2021  
REF : FW  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- The status of the agreed actions to address the recommendations from External Audit reports have been reviewed and updated.
- Recommend that Council accept the biannual external audit actions status update.

**Tabled Items**

Nil

**Decision Type**

- Legislative** The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive** The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial** The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.1.2 – Make decisions that are sound, transparent and strategic

**Legal Implications**

Nil

**Council Policy/Local Law Implications**

Nil

**Budget/Financial Implications**

Nil

**Consultation**

1. All Council staff subject to Annual Financial Audit, General Computer Controls Audit and Financial Management Systems review audit
2. Executive Leadership Team

## **BACKGROUND**

Every year the City's (External) Auditor presents an interim report for the Annual Financial Audit to the City Audit Committee which includes matters raised by the Auditor together with Management's responses to those matters. In March 2020, a review of the implementation of recommendations from the past 5 years was conducted and an update on the status of the outstanding actions provided to the City Audit Committee. The outcome of this review indicated that the majority of items were considered complete with only 3 remaining in progress. These three related to annual leave accruals, sundry debtor provision for doubtful debts and missing pricing on purchase orders. These topics have also been captured in the most recent audits and hence have not been duplicated in the action status update report.

The draft 2020 Interim Audit Report for the 2020 Annual Financial Audit was presented to the City Audit Committee in August 2020. Following some amendments, the final report was received from the Office of the Auditor General (OAG) on 2 September 2020 and distributed via memo to City Audit Committee members.

The General Computer Controls audit was undertaken during September and October 2020 by the OAG as part of the Annual Financial Audit. This audit resulted in a number of recommendations and agreed actions by the City, updates of which have been included in the external audit status update report.

In accordance with the *Local Government (Financial Management) Regulations 1996*, the CEO is required to 'undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews'. This triennial audit was undertaken during June and July 2020 and resulted in a number of recommendations and resulting agreed actions by the City, updates of which have been included in the external audit status update report.

## **DETAILS OF PROPOSAL**

A register has been established which enables the monitoring of the progress of the agreed actions which address the auditors recommendations. Progress updates have been provided from management which include:

- Revised status of the action
- Proposal of revised completion dates (if appropriate)
- Comments on the implementation of the actions.

The confidential attachments include:

- An overview of the current status of the actions
- Details of the outstanding actions
- Details of the actions that have been completed.

## **CONCLUSION**

The status of the agreed actions to address the recommendations from the City's annual financial audit, general computer controls audit and financial management systems review have been reviewed and updated.

## **RECOMMEND**

**That Council note the external audit status update report for March 2021.**

## **ATTACHMENTS**

1. External Audit Action Status Report Overview - March 2021 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*
2. External Audit Actions Completed – Update March 2021 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*
3. External Audit Outstanding Actions Status Update – March 2021 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*

**1.5 - WORKING WITH CHILDREN CHECKS MANAGING COMPLIANCE - REVIEW**

WARD : ALL  
FILE No. : M/89/21  
DATE : 8 February 2021  
REF : FW  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- The City has undertaken a review of its system and processes for managing the compliance requirements of the *Working with Children (Criminal Record Checking) Act 2004* in accordance with the recommendations from the Office of the Auditor General's 2020 performance audit in this area. A number of opportunities for improvement were identified and implemented
- Recommend that Council note the City's response to the Office of the Auditor General's Performance Audit recommendations regarding Working With Children Check compliance.

**Tabled Items**

Nil

**Decision Type**

- Legislative** The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive** The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial** The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.2.2 – Implement business plans and practices that improve service delivery

**Legal Implications**

*Working with Children (Criminal Record Checking) Act 2004*

**Council Policy/Local Law Implications**

Nil

### **Budget/Financial Implications**

Nil

### **Consultation**

1. Manager Human Resources
2. Manager Community Development
3. Executive Leadership Team

### **BACKGROUND**

In July 2020, the Office of the Auditor General (OAG) released an audit report on “Working with Children Checks – Managing Compliance” (see attached).

The audit reviewed how WA Health, the Department of Justice and the Department of Education manage their obligations under the *Working with Children (Criminal Record Checking) Act 2004*. The objective of the act is to:

*“provide for procedures for checking the criminal record of people who carry out, or propose to carry out child-related work and prohibit people who have been charged with or convicted of certain offence from carrying out child related work”.*

The Working with Children Check (WWC) is a compulsory screening program which requires anyone who intends to work with children (which includes employees, contractors and volunteers) to apply for a Card through the Department of Communities who assess each application and either issue a card or decline an application. Cards expire after 3 years and individuals must apply to renew their card before it expires to keep working with children.

### **DETAILS OF PROPOSAL**

The OAG report recommended that to ensure entities are managing their working with children obligations they should:

1. Review their policies and procedures and communicate these to staff
2. Ensure their Card records:
  - a. identify all positions that require a Card and ensure that all individuals in those positions have a Card
  - b. capture sufficient information to track and monitor the Card status of all individuals, including Card number, surname, expiry date and where necessary, date of birth.
  - c. are complete and accurate
3. Ensure all Cards are valid by:
  - a. checking the Cards of all individuals against the Department of Communities database, before they start working with children
  - b. registering new employees with Department of Communities
  - c. re-checking all Cards, at least once per year
4. Monitor how they manage Card obligations through regular, detailed reporting on entity compliance to executive.

## ANALYSIS

City staff have reviewed the report recommendations against the City's system for managing these requirements and identified where improvements could be made. Sixteen (16) opportunities for improvement were identified, fifteen (15) of which have been implemented. The remaining action to be implemented is a biannual review of the City's WWC register which is not yet due for review.

The City's review and response to the OAG Working with Children Check – Managing Compliance Audit is attached.

## CONCLUSION

The City has undertaken a review of its system and processes for managing the compliance requirements of the *Working with Children (Criminal Record Checking) Act 2004* in accordance with the recommendations from the Office of the Auditor General's 2020 performance audit in this area. A number of opportunities for improvement were identified and implemented.

## RECOMMEND

**That Council note the City's response to the Office of the Auditor General's Performance Audit recommendations regarding Working with Children Check compliance.**

## ATTACHMENTS

1.  OAG Performance Report\_Working-with-Children-Checks - Managing-Compliance
2.  OAG Performance Audit - Working with Children Checks - CoA Response - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*

---

***1.6 - RECORDS MANAGEMENT INTERNAL AUDIT***

---

WARD : ALL  
FILE No. : M/90/21  
DATE : 8 February 2021  
REF : FW  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- An internal audit of the City's Records management with a focus on working from home arrangements found that there are some opportunities for improvement in relation to communication of recordkeeping requirements, delegations of authority, revision of policies, procedures and forms and network access security controls
- Recommend that Council note and endorse the Internal Audit Report for Records Management

**Tabled Items**

Nil

**Decision Type**

- Legislative**                      The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive**                              The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial**                      The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.2.2 Implement business plans and practices that improve service delivery

**Legal Implications**

*State Records Act 2000*

**Council Policy/Local Law Implications**

ADM15 Record Keeping Policy

### **Budget/Financial Implications**

The cost of the Internal Audit was covered in the budget for Corporate Services. All recommendations will be able to be implemented using current City resources.

### **Consultation**

1. Crowe
2. Eleven (11) staff members

### **BACKGROUND**

In accordance with the City Audit Committee's Terms of Reference, the Committee is responsible for reviewing and monitoring the internal audit program and scope of audits, reviewing reports provided by the internal auditor and overseeing any agreed actions in response to an audit report received.

In October 2020, Council agreed to extend the contract with Crowe for the delivery of internal audit services from 28 February 2021 to 30 June 2021 to undertake the following audits included in the 2020/21 Internal Audit Plan adopted at the same meeting:

1. Procurement – Property services focus area
2. Records management
3. Workforce health and safety – working from home
4. Management of contractors and volunteers

### **DETAILS OF PROPOSAL**

A review of the City's Records Management was the first internal audit completed under the 2020/21 plan. The objective of the audit was to assess the systems and processes in place in relation to capturing, retrieval, retention and disposal of records, focusing on working from home arrangements.

The scope of the internal audit included the following:

- Recordkeeping plans, policies and procedures, including alignment with the *State Records Act 2000* and the State Records Commission standards and principles;
- Recordkeeping practices with regards to maintaining evidence on decisions made or actions taken using appropriate delegations and authorisations;
- Processes for managing data privacy; and
- Processes to educate personnel in relation to information management, recordkeeping practices and privacy requirements.

The scope covered the period **April 2020 to July 2020**.

The audit involved interviews with staff members from Records Services, Ranger Services, Building Services, Human Resources, Governance and Business Improvement.

The final report on the Records Management Internal Audit provided by Crowe is attached (Confidential) which includes findings, recommendations, priority levels and a management response and agreed actions provided by City staff.

During the audit Crowe observed:

*“the City has a Records Management business unit, which comprises knowledgeable and experienced personnel dedicated to ensuring the City complies with its recordkeeping requirements and enhancing records management practices. All personnel across the organisation are responsible for records management and expectations are clearly communicated to employees.*

*The City’s Recordkeeping Plan 2016, its record keeping policy: ADM 15 – Record Keeping and its Records Services Procedures are in line with the State Records Act 2000 and the State Records Commission Standards and Principles.*

*Overall, we noted a positive control environment and risk management culture. Management across the organisation are cognisant of improvement opportunities and have a desire to implement”*

## **ANALYSIS**

The internal audit findings and suggested opportunities for improvement were summarised into the following areas:

1. Delegated authority recordkeeping
2. Internal Forms – Management Approval & Signature
3. Maintaining a consistent approach to post COVID-19 recordkeeping processes
4. Records Management Integration with Microsoft Office
5. Multi Factor Authentication
6. Policies, Procedures & Other Documentation

The management comments in relation to the findings and agreed actions are provided in the confidential attachment.

## **CONCLUSION**

The internal audit of the City’s Records Management, with a specific focus on working from home processes conducted by Crowe, found that there are some opportunities for improvement in relation to the policies, operating procedures, processes, forms, training and communication of requirements

## **RECOMMEND**

**That Council note and endorse the Records Management Internal Audit report.**

## **ATTACHMENTS**

1. Records Management Internal Audit Report - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*

**1.7 - STRATEGIC RISK ASSESSMENT - MARCH 2021**

WARD : ALL  
FILE No. : M/91/21  
DATE : 8 February 2021  
REF : FW  
RESPONSIBLE MANAGER : Executive Director  
Corporate Services

**In Brief:**

- Two strategic risks, one relating to data security and the other to an infectious disease outbreak have been assessed. Seven strategic risks from the City's strategic risk register have now been assessed. It is the intention of management to present a number of assessed strategic risks at each City Audit Committee meeting until all thirty two risks have been assessed.
- Recommend that Council note the assessment of strategic risks 19 and 24.

**Tabled Items**

Nil

**Decision Type**

- Legislative** The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc.
- Executive** The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial** The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.1.2 – Make decisions that are sound, transparent and strategic

**Legal Implications**

*Local Government (Audit) Regulations 1996 – Regulation 17*

**Council Policy/Local Law Implications**

ADM 25 – Risk Management Policy  
City of Armadale Risk Management Framework

### **Budget/Financial Implications**

The assessment of strategic risks is being completed in house

### **Consultation**

1. Manager Information and Communication Technology
2. Coordinator IT Infrastructure
3. Coordinator Business Systems
4. Business Improvement Coordinator
5. Executive Leadership Team

### **BACKGROUND**

The City's Risk Management Policy and Framework were adopted by Council in August 2019. Subsequent to this, the identification of strategic risks was facilitated through a workshop with the Executive.

At the October 2019 meeting, the City Audit Committee were advised that the assessment of strategic risks would be divided into two parts, firstly identification and subsequently analysis and evaluation. At this same meeting a list of strategic risks identified by the Executive was submitted to seek feedback on the list prior to the commencement of the analysis and evaluation processes.

The Strategic Risk Register contains thirty two (32) strategic risks. Five risks including four relating to the natural environment and one relating to reputation were assessed and presented to the City Audit Committee in October 2020

### **DETAILS OF PROPOSAL**

The Executive Leadership Team are progressively working through the list of identified strategic risks and are following a process which aligns with the international standard for risk management ISO31000:2018 and involves:

1. Ensuring the description of the risk, including the causes and impacts is comprehensive and appropriate
2. Determining the inherent risk rating by considering the consequence and likelihood prior to the consideration of mitigating controls.
3. Determining the controls that the City has in place to mitigate each risk, including an assessment of the control effectiveness and assignment of control owners.
4. After taking into consideration the strength of the controls in place, determining the residual risk rating and comparing this to the City's risk appetite to determine the accuracy of the assessment and the requirement for further treatment.
5. Identification of treatments required to further mitigate the risk and/or opportunities for improvement.

Two risks have been assessed. One risk relates to data security, the assessment of which was an agreed action from the General Computer Controls Audit by the Office of the Auditor General in late 2020. The other risk relates to an outbreak of an infectious disease, and the assessed risk is a summary of the City's Pandemic Risk Register. The attached Strategic Risk

Register includes the assessment of the two strategic risks mentioned. The full strategic risk register is provided as a separate attachment.

The City's Strategic Risk Register includes 32 risks and it is the intention of management to present a number of strategic risks to each City Audit Committee. The risks with a high residual risk rating have not been accepted by the Executive and further treatments have been proposed to increase the strength of the controls and further mitigate the risk. In addition, risks with a residual high risk rating will require biannual reporting to the City Audit Committee. All of the treatments listed for these risks are able to be implemented using existing resources or have been included in the 2020/21 budget or submitted as a proposal in the four year budget process.

## **CONCLUSION**

Two strategic risks relating to data security and an infectious disease outbreak have been assessed. It is the intention of management to present a number of assessed strategic risks at each City Audit Committee meeting until all thirty two risks have been assessed. Twenty five strategic risks are still to be assessed.

## **RECOMMEND**

**That Council note the assessment of strategic risks 19 and 24**

## **ATTACHMENTS**

1. Strategic Risk Listing Feb '21 - *This matter is considered to be confidential under Section 5.23(2) (e iii) of the Local Government Act, as it deals with the matter, if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person*
2. Strategic Risks - Pandemic and Data Security - *This matter is considered to be confidential under Section 5.23(2) (f ii) of the Local Government Act, as it deals with the matter, if disclosed, could be reasonably expected to endanger the security of the City of Armadale's property*

**1.8 - 2020 COMPLIANCE AUDIT RETURN**

WARD : ALL  
FILE No. : M/143/21  
DATE : 24 February 2021  
REF : DB/NP  
RESPONSIBLE : Executive Director  
MANAGER : Corporate Services

**In Brief:**

- Council is requested to consider and adopt the 2020 Compliance Audit Return covering the period 1 January 2020 to 31 December 2020 as presented, noting that there were nine instances of non-compliance out of 102 questions.

**Tabled Items**

Nil

**Decision Type**

- Legislative** The decision relates to general local government legislative functions such as adopting/changing local laws, town planning schemes, rates exemptions, City policies and delegations etc
- Executive** The decision relates to the direction setting and oversight role of Council.
- Quasi-judicial** The decision directly affects a person's rights or interests and requires Councillors at the time of making the decision to adhere to the principles of natural justice.

**Officer Interest Declaration**

Nil

**Strategic Implications**

4.1.3 Support the role of the elected body

**Legal Implications**

*Local Government Act 1995*

Section 7.13(1)(i) – Regulations as to audits

*Local Government (Audit) Regulations 1996*

Regulation 13 – prescribed statutory requirements for which compliance audit needed.

Regulation 14 – compliance audits by local governments.

Regulation 15 – compliance audit return, certified copy of etc. to be given to Department CEO.

Regulation 16 – Functions of audit committee

**Council Policy/Local Law Implications**

Nil

### **Budget/Financial Implications**

Nil

### **Consultation**

1. Executive Leadership Team (ELT)
2. Key Stakeholders as identified by ELT

### **BACKGROUND**

The *Local Government (Audit) Regulations 1996* require every local government to carry out a Compliance Audit for the period 1 January to 31 December each year and to complete a Compliance Audit Return (CAR) as produced by the Department of Local Government.

The CAR is to be:

- Reviewed by the Audit Committee;
- Presented to Council at a meeting of the Council;
- Adopted by the Council; and
- Recorded in the minutes of the council meeting at which it is adopted.

After the CAR has been presented to and adopted by Council, a certified copy is to be signed by the Mayor and CEO for lodgement with the Department by 31 March 2021 together with the relevant section of the council minutes and any additional information explaining or qualifying the compliance audit.

### **COMMENT**

The CAR is one of the tools available to Council in its governance monitoring role and also forms part of the Department of Local Government's monitoring program.

The 2020 CAR once again places emphasis on the need for Council to be aware and acknowledge instances of non-compliance or where full compliance has not been achieved.

In addition, the CAR also requires (where applicable) Council to endorse details of remedial action taken or proposed to prevent future like occurrences.

### **ANALYSIS**

In 2019, the City's internal auditor undertook a high level review of the processes used by the City in the preparation of CARs for previous reporting years. This review identified scope for improvement in terms of the level of education and support provided to staff to assist them to meet their obligations, the quality of the information being recorded, and the City's Governance function having a more detailed involvement in compliance audit objectives.

The process used for the 2020 CAR was closely modeled on that used for the previous reporting year with some improvements with the messaging to staff in respect of the CAR requirements being simplified compared to the previous reporting year, and commenced earlier to ensure staff were aware of the impending audit requirement. One on-one support was offered (and provided) by Governance staff that was tailored to meet the needs of individual stakeholders to ensure the CAR requirements were met and the information provided was sufficient.

The content of the CAR and wording of the questions was again altered by the Department of Local Government for the 2020 reporting year with some reversions in respect of Integrated Planning and Reporting and new requirements to account for recent amendments to the Act and Regulations. In all, there are 102 questions with 10 of those being optional. The following areas of activity are covered:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power / Duty (13 questions);
3. Disclosure of Interest (21 questions);
4. Disposal of Property (2 questions);
5. Elections (Gift Register) (3 questions);
6. Finance (11 questions);
7. Integrated Planning and Reporting (3 questions);
8. Local Government Employees (6 questions);
9. Official Conduct (4 questions);
10. Tenders for providing Goods and Services (24 questions).
11. Optional Questions (10 questions)

A total of 98 Officers across all directorates were identified as Key Stakeholders and were required to respond to all questions relative to their role or functions. All responses were returned to the City's Governance service, collated and then forwarded to the CEO and respective Executive Directors for verification.

A final consolidated return was presented to ELT and approved on 2 March 2020. From the 102 questions, the CAR process identified nine questions where a non-compliance was recorded, with three of these questions being from the optional questions. Details of these are outlined in the following table.

Question	Response	Response
<b>Disclosure of Interest</b>		
<i>Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?</i>	No	A designated employee did not complete their annual return by the due date. The employee was on extended leave at the time. This matter has been reported in accordance with legislative requirements.
<i>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?</i>	No	Some hard copy returns were not removed from physical files due to office inaccessibility during the COVID-19 lockdown period.
<b>Delegation of Power / Duty</b>		
<i>Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?</i>	No	The City is currently undertaking a full review of its delegations in conjunction with its policies. A systematic approach has been adopted. In phase one every delegation and policy is presented to Council via the City's SOHAG committee. Phase two will focus on the systematic recording of delegations.

<b>Tendering for Providing Goods and Services</b>		
<i>Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?</i>	No	<p>The City conducted proactively, a number of audits during the year, including the Financial Management Review audit, Internal Audits on Contracts and Procurement risks and controls and the interim/annual financial audit.</p> <p>Instances were identified during the reporting period of non-compliance with the City's Purchasing Policy. These incidents were reported to the Audit Committee, including further controls measures developed and management responsibility assigned.</p> <p>Supplementary information (to the CAR) regarding the Audit Findings and Management responses, presented to the Audit Committee are available in the Audit Committee minutes for 8 December 2020, 1 October 2020, 5 August 2020 and 10 March 2020.</p>
<i>Did the local government's procedure for receiving and opening tenders comply with the requirements of F&amp;G Regs 15 and 16?</i>	No	<p>Due to COVID 19 Restrictions resulting in the closure of the main administration building to the General Public for a period of the year, not all Tenders openings were available for public attendance. The City did provide the information regarding the details of the tenders to the General Public that requested it via an email request to <a href="mailto:procurement@armadale.wa.gov.au">procurement@armadale.wa.gov.au</a></p> <p>All tenders we kept securely and remained confidential until the closing deadline had passed either via the locked Tender Box in the main administration building or following the COVID 19 building closure via the online system Vendor Panel.</p>
<i>Did the information recorded in the local government's tender register comply with the requirements of F&amp;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?</i>	No	<p>The information recorded in the tender register complies with the requirements of F&amp;G Reg 17.</p> <p>Prior to COVID 19 Restrictions the Tender Register was publically available via a lever arch folder kept in the Procurement Area. During the COVID 19 building closure the Tender Register was available electronically if requested by a member of the general public via the Procurement email address.</p>
<b>Optional questions</b>		
<i>Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?</i>	No	<p>A draft policy has been prepared, however further review is required before presentation to Council in early 2021.</p>

<i>Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?</i>	No	No policy to publish.
<i>Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?</i>	No	A draft policy has been prepared, however further review is required before presentation to Council in early 2021.

The disruption during COVID-19 lockdowns and the inability of staff and the public to attend the administration centre did influence the City's ability to entirely meet its obligations for the reporting period. The non-compliance with the review of delegations is a result of the thorough consideration of every authority and associated policy that is currently in place that is being systematically progressed through SOHAG and then to Council.

The matters relating to purchasing have been identified and reported through the City's system of internal and external audit and the implementation of the agreed management actions to address this will be reported back to the Audit Committee.

## CONCLUSION

It is recommended that 2020 Compliance Audit Return as presented as an Attachment to this Report, be approved by Council.

## RECOMMEND

**That Council:**

- 1. Adopts the Compliance Audit Return (CAR) for the 2020 calendar year presented as an attachment;**
- 2. Acknowledges that the 2020 Compliance Audit Return presented as an attachment will be subsequently jointly certified by the Mayor and Chief Executive Officer for submission to the Department of Local Government, Sport and Cultural Industries.**

## ATTACHMENTS

1. [!\[\]\(99899e25941fd94c06404386a263e74e\_img.jpg\) !\[\]\(54baa978826f74723e2fa969f92b1b2e\_img.jpg\)](#) 2020 Compliance Audit Return - City of Armadale

***COUNCILLORS' ITEMS***

---

Nil

**MEETING DECLARED CLOSED AT \_\_\_\_\_**

**CITY AUDIT COMMITTEE****SUMMARY OF ATTACHMENTS**

9 MARCH 2021

<b>ATT NO.</b>	<b>SUBJECT</b>	<b>PAGE</b>
<b>1.1 REGULATION OF CONSUMER FOOD SAFETY BY LOCAL GOVERNMENTS REVIEW</b>		
1.1.1	OAG Performance Report_Regulation-of-Consumer-Food-Safety-by-Local-Government-Entities	33
<b>1.5 WORKING WITH CHILDREN CHECKS MANAGING COMPLIANCE - REVIEW</b>		
1.5.1	OAG Performance Report_Working-with-Children-Checks - Managing-Compliance	50
<b>1.8 2020 COMPLIANCE AUDIT RETURN</b>		
1.8.1	2020 Compliance Audit Return - City of Armadale	66

# Western Australian Auditor General's Report



## Regulation of Consumer Food Safety by Local Government Entities



Report 28: 2019-20

30 June 2020

Office of the Auditor General  
Western Australia

**Audit team:**

Jordan Langford-Smith  
Gareth Govan  
Matthew Monkhouse  
Lyndsay Fairclough

National Relay Service TTY: 13 36 77  
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for those with visual impairment.

© 2020 Office of the Auditor General Western Australia.  
All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged.

ISSN: 2200-1913 (Print)  
ISSN: 2200-1921 (Online)

***The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.***

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

---

**Regulation of Consumer Food Safety by Local  
Government Entities**

---

Report 28: 2019-20  
June 2020



**THE PRESIDENT  
LEGISLATIVE COUNCIL**

**THE SPEAKER  
LEGISLATIVE ASSEMBLY**

**REGULATION OF CONSUMER FOOD SAFETY BY LOCAL GOVERNMENT ENTITIES**

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed whether local government entities effectively regulate consumer food safety in food businesses in their local area.

I wish to acknowledge the entities' staff for their cooperation with this report.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER  
AUDITOR GENERAL  
30 June 2020

## Contents

Auditor General's overview .....	2
Executive summary .....	3
Introduction .....	3
Background .....	3
Conclusion .....	5
Findings .....	6
Nearly 30% of high and medium risk food business inspections were overdue .....	6
Record management shortcomings have reduced LG entities' ability to effectively regulate food businesses.....	7
LG entities did not always follow-up food safety issues consistently and enforce compliance.....	8
Recommendations .....	10
Response from local government entities .....	10
Audit focus and scope .....	11

## Auditor General's overview

Local government entities (LG entities) are responsible for regulating food businesses in their local area. They ensure food businesses comply with the *Food Act 2008* and the *Australia New Zealand Food Standards Code* through a range of compliance activities such as food business inspections and enforcement actions. When food businesses are effectively regulated, the public can be more confident that the food they consume is safe.



This audit report focusses on the regulation of consumer food safety at 2 LG entities with a large number of food businesses such as restaurants, cafes and bars in their area. We found many inspections were overdue, recordkeeping was poor, and follow-up and enforcement was not always completed or consistent. These weaknesses increase the risk that unsafe food practices are not rectified, and the public consumes hazardous food.

The findings in the report are not about encouraging more regulation of businesses by LG entities, as this can lead to unnecessary burden on food businesses. Rather, the findings highlight the importance of a fair and equitable regulatory framework which focusses on the areas of highest risk to consumer safety. I am pleased that both LG entities generally agreed with the findings, and have advised that they are in the process of completing overdue inspections and improving their inspection and enforcement practices, and reporting.

Educating food businesses on safe food handling practices is an important part of the regulatory regime, and it was also pleasing to see examples of LG entities providing support to food businesses where there is a lack of knowledge, or where there is repeated non-compliance. However, it is also up to food businesses to make sure their staff understand and implement safe food handling practices. Ultimately, it makes good business sense to maintain clean premises and comply with food safety standards to avoid any reputational damage from serving food that makes people ill.

In the coming months I plan to report on the effectiveness of the Department of Health's (the Department) framework for monitoring consumer food safety. The Department was in the original scope of the audit, but my Office's work was put on hold as the Department was a frontline agency in the COVID-19 pandemic response. I'm looking forward to tabling this report as it will provide greater context and transparency as to how food safety is regulated in Western Australia.

I trust the findings in the report will help all LG entities with their compliance activities as food businesses continue to reopen in full, as a result of the easing of COVID-19 restrictions.

## Executive summary

### Introduction

This audit assessed whether local government entities (LG entities) effectively regulate consumer food safety in food businesses in their local area. It focused on inspection and enforcement processes at a metropolitan and a regional LG entity. These LG entities were selected because they have a large number of food businesses such as restaurants, cafes and bars, and were considered to provide a good baseline understanding of the risks and issues faced by LG entities and food businesses in relation to food safety regulation.

Due to the COVID-19 pandemic we amended the scope and size of the audit and decided to not identify the LG entities in the report.

### Background

Food business regulation helps to reduce the number of food related diseases and ensure food is safe for consumption.<sup>1</sup> In 2016-17, Western Australia (WA) had over 23,000 registered food businesses. Across WA over 7,000 cases of intestinal infectious disease, such as salmonella, were reported in 2017.<sup>2</sup> The Department of Health (the Department) estimates that a 1% decrease in foodborne illness could save the community and health system nearly \$6 million annually.

In WA, the Department and LG entities are responsible for regulating food businesses. The *Food Act 2008* (the Act) and the *Food Regulations 2009* (the Regulations) enable the Department and LG entities to inspect food businesses and enforce compliance with legislation and the *Australia New Zealand Food Standards Code* (the Standards). LG entities are responsible for food businesses in their district. Food businesses not in a district such as Rottnest Island and Kings Park, as well as hospitals and primary producers, are regulated by the Department.

To help make food safe for consumers, food businesses must meet specific requirements in the Standards (see examples in Figure 1).<sup>3</sup> Some businesses are also required to have a food safety program which details how they manage high risk foods or vulnerable customers. For example, aged care facilities or restaurants selling uncooked seafood.

---

<sup>1</sup> Department of Health *Report on the Food Act 2008 (WA) – A report on the performance of the Food Act 2008 (WA) regulatory functions for the period 1 July 2013 to June 2016*.

<sup>2</sup> Not all of these cases were linked to food businesses.

<sup>3</sup> This audit pre-dates the COVID-19 hospitality and tourism hygiene course requirements.

## Australia New Zealand Food Standards Code



Source: OAG, using information from the Standards

**Figure 1: Examples of the Standards food businesses must meet**

LG entities have environmental health officers (EHOs) to conduct food business registrations and inspections. EHOs assess each new food business and assign it with either a high, medium or low risk classification. This classification determines how often businesses are inspected. LG entities charge annual fees to recover the costs of these regulatory activities. EHOs also carry out other duties such as investigating noise complaints, hazardous waste assessments and event approvals.

The Australia New Zealand Food Authority (ANZFA) and the Department have developed better practice resources on the administration of food legislation. The guidance (as summarised in Table 1) helps ensure a consistent approach to business risk assessments and how often businesses are inspected. The starting point is the initial inspection frequency after a business is classified. Inspection frequency can be increased or decreased based on compliance history.

Risk classification	Inspection frequencies (every x months)		
	Starting point	Maximum	Minimum
Low	18	12	24
Medium	12	6	18
High	6	3	12

Source: Australia New Zealand Food Authority

**Table 1: ANZFA inspection frequency model**

EHOs can monitor and enforce food businesses' compliance with the Standards through education and training, follow-up inspections, improvement notices, infringements, prohibition orders or prosecution. Food businesses face fines of up to \$50,000 for an individual or \$250,000 for a body corporate if they are found not to comply with the Standards. EHOs often exercise discretion choosing which enforcement option to use to achieve compliance.

## Conclusion

Current inspection and enforcement processes in the 2 audited LG entities do not support an effective risk-based approach for regulating food businesses.

While the 2 LG entities were conducting inspections, there were shortcomings in the compliance activities they used to regulate food safety in businesses. Many inspections were overdue, recordkeeping was poor, and follow-up and enforcement of compliance with food safety standards was not always consistent or completed. These shortcomings may lead to unsafe food practices going undetected or left unaddressed.

Both LG entities have advised that they are taking steps to complete overdue inspections and improve their inspection and enforcement practices and compliance reporting to address the audit findings.

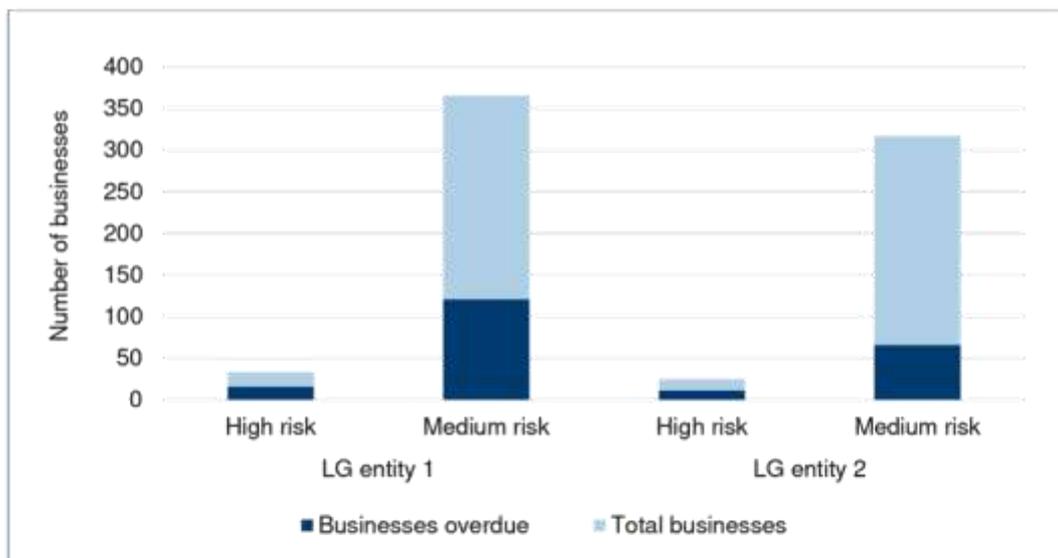
## Findings

### Nearly 30% of high and medium risk food business inspections were overdue

The 2 LG entities had not completed many required inspections. We found 214 of 741 high and medium risk food business inspections were overdue as at November 2019. When inspections are not completed according to risk, the LG entities are not checking that businesses comply with the Standards.

As LG entities did not have their own documented policy or approach to inspection frequency, we assessed inspections against the ANZFA starting point, the inspection frequency after a business is classified. Our analysis of high and medium risk business inspections (Figure 2) found:

- LG entity 1 had 48% of high and 33% of medium risk businesses overdue for inspection. On average, they were overdue by around 270 days
- LG entity 2 had 44% of high and 21% of medium risk businesses overdue for inspection. On average, they were overdue by more than 400 days.



Source: OAG, using information from the LG entities

**Figure 2: Overdue high and medium risk business inspections by LG entity**

LG entities have deviated from the better practice inspection frequencies and have not documented why. Therefore, they have less information about whether businesses are meeting food safety standards, increasing the risk that inadequate food practices are undetected. Additionally, businesses are paying annual fees for inspections not performed and they may miss out on receiving information and advice on their food safety practices.

Since being made aware of the findings, the LG entities advised that they were completing the overdue inspections. Both LG entities told us recently that some inspections could not be completed because businesses had cancelled their registration or were closed. One LG entity found some incorrect business risk classifications, which meant that an inspection was not due.

## Record management shortcomings have reduced LG entities' ability to effectively regulate food businesses

Inspection and enforcement data was not well documented in the records systems at the 2 LG entities. We found instances where both LG entities had incomplete records of inspections and inaccurate business register data. We also found limited system functionality and compliance reporting. Quality records and reporting support good decision-making and help LG entities effectively and efficiently allocate limited resources.

In our sample of 35 Australian Food Safety Assessment (AFSA) paper inspection forms, we found examples where forms were difficult to read, missing details or an assessment against each standard was not recorded (Figure 3). EHOs need to complete these forms so non-compliance and inspection outcomes are clear to businesses and LG entities have correct records. Both LG entities acknowledged that there were issues with recording information and scanning the form. They advised us that they are developing an electronic form to improve the quality and completeness of inspection information. We note that there is an electronic version of the AFSA inspection form available.

The image shows a handwritten AFSA (Australian Food Safety Assessment) form. The form is titled 'AFSA Australian food safety assessment' and 'Office Copy'. It contains various sections for recording inspection details, including Business Name, Manager/Proprietor, Date, Time, and Officer. The form is divided into several categories of standards to be assessed, such as Receiving, Storage, Processing, Display, Packaging, Transportation and Distribution, Recalls/Food Disposal, Health, Hygiene & Knowledge, and Premises and Hygiene. Each category has a list of specific standards with checkboxes for compliance. The 'DOCUMENTATION TO BE TAKEN' section contains handwritten notes. At the bottom, there is a section for 'Further Action?' with columns for 'Believe', 'Other', 'Total N/C', 'Priority Classification', 'Offence/Issue', 'Exposure Factor', and 'Retrospection date'. The form is annotated with four red 'X' marks and callouts:

- Top right:** A red 'X' with the text 'Type and details of inspection not marked' pointing to the Date and Time fields.
- Middle right:** A red 'X' with the text 'Assessment against Standards not filled in or incomplete' pointing to the compliance checkboxes in the 'Receiving' and 'Storage' sections.
- Bottom right (middle):** A red 'X' with the text 'Non-compliance and action taken difficult to understand due to handwriting and scanning' pointing to the 'DOCUMENTATION TO BE TAKEN' section.
- Bottom right (bottom):** A red 'X' with the text 'Details of further action and risk assessment not completed' pointing to the 'Further Action?' section.

Source: OAG, using information from the LG entities

Figure 3: Example of an inspection form record

We found that business information stored in registers was not always accurate or complete. In particular:

- 47 of 1,204 businesses across both LG entities had no record of inspection in the registers
- 1 LG entity had 15 businesses in which the next inspection pre-dates the last inspection
- through a limited internet search by the OAG of 20 local businesses, 1 business was found to be operating but not known or registered by the LG entity. After we made the entity aware of this finding, they requested and received a registration application.

Incomplete or inaccurate information can result in missed inspections, and businesses not being inspected according to an appropriate risk classification.

Both LG entities had weaknesses in their risk assessment processes. One LG entity did not have supporting documentation for their business risk assessments, and advised that there were 24 high and medium risk businesses which had incorrect risk classifications. At the other entity, we found an instance where risk was not reassessed for a business after multiple items of serious non-compliance were identified. One of which was feeding cats in the kitchen. Inaccurate risk assessments can lead to businesses not being inspected appropriately or paying for more inspections than required.

The LG entities can also improve the way they manage and track inspections. Due to a system error at 1 LG entity, EHOs have to rely on setting reminders for follow-up inspections in their calendars to check non-compliance was resolved. We note 1 LG entity reports quarterly on inspections completed, while the other stopped similar reporting in November 2018, while they wait for a new system. Neither LG entity reported on inspections that were due or overdue. Compliance reporting provides management with oversight of inspections required and completed, and EHO workload.

Compliance information and data can also help identify systemic food safety issues, make decisions on education and support services, and determine appropriate enforcement options. Both LG entities have advised they are either conducting a review of their registers to identify other shortcomings or improving the accuracy and effectiveness of their register and compliance reporting.

## **LG entities did not always follow-up food safety issues consistently and enforce compliance**

We found that the LG entities did not have adequate procedures to help EHOs determine which types of non-compliance require enforcement and follow-up, and when this should occur. While some compliance decisions may require the professional judgement and discretion of individual EHOs, it is important to have documented guidance to support consistent, risk based compliance actions.

Both LG entities were not following up instances of identified non-compliance in a consistent way, to ensure food safety issues were fixed. In our review of 41 inspections across both LG entities, there were 30 inspections that identified non-compliance in areas such as food skills and knowledge, cleanliness, maintenance, handwashing facilities and protecting food from contamination. We found:

- EHOs only recommended an improvement notice for 2 businesses, but these were never issued. One business had a follow-up inspection, while the other was later fined \$250 for hazardous foods that were being thawed with no temperature control.
- Five inspections completed by 1 LG entity identified between 11 and 20 separate items of non-compliance at each business but were enforced differently. Three of the

inspections required no further action, 1 resulted in a follow-up inspection, and the other was marked as requiring an improvement notice, but only had a follow-up inspection.

- Six businesses had follow-up inspections, but it was unclear if all items of non-compliance were fixed. One LG entity advised that non-compliance with a lower risk are often rectified at the time of inspection, but this wasn't always documented.

It is important for LG entities and other regulators to take consistent compliance actions for similar non-compliance. Clear and consistent enforcement processes and actions are equitable and make it easier for businesses to understand how LG entities assess and enforce compliance with the Standards.

We expected to see more formal enforcement processes used, based on the types of non-compliance found, but these were rarely used. According to Department records, in 2018-19, only 2.6% of 734 inspections across both LG entities resulted in formal enforcement. Less than 1% of all inspections resulted in an improvement notice, the first enforcement option for non-compliance. Under appropriate circumstances, formal enforcement actions send a clear and important message to businesses that their food safety practices need to be strengthened and is consistent with the Department's compliance and enforcement guidelines.

---

## Recommendations

Local government entities should:

1. ensure food business inspections are prioritised and carried out according to their risk classification
2. ensure changes to inspection frequencies are only made based on a documented assessment of compliance history or other urgent requirement
3. improve recordkeeping for food business inspections and compliance reporting to:
  - a. better understand inspection and compliance history
  - b. identify compliance issues and follow-up activities
  - c. respond to emerging food safety issues
4. develop procedures and staff guidance to ensure non-compliant food businesses are followed up and Standards enforced in a consistent and timely manner
5. work with the Department of Health in the development and implementation of new electronic food safety inspection and recordkeeping systems.

Under section 7.12A of the *Local Government Act 1995*, all audited entities are required to prepare an action plan addressing significant matters relevant to their entity for submission to the Minister for Local Government within 3 months of this report being tabled in Parliament and for publication on the entity's website. This action plan should address the points above, to the extent that they are relevant to their entity, as indicated in this report.

## Response from local government entities

Local government entities in our sample generally accepted the recommendations and confirmed that, where relevant, they will improve inspection and enforcement practices, recordkeeping and compliance reporting for regulating food businesses.

## Audit focus and scope

This audit assessed if local government entities (LG entities) effectively regulate consumer food safety in food businesses. It focused on food business inspections, and enforcement of compliance with food safety legislation and the Standards at 2 LG entities. We did not attempt to detect non-compliance in food businesses.

In this audit we also examined how effectively the Department of Health monitors consumer food safety, inspects food businesses and enforces compliance. However, this part of the audit was put on hold due to the ongoing COVID-19 pandemic. We plan to table findings specific to the Department at a later date.

We reviewed practices for regulating food safety at 2 LG entities, including:

- food business registers containing 1,204 food businesses
- policies and procedures for regulating food businesses
- records and data on food businesses and regulatory activities
- inspection records and enforcement actions at food businesses from 2018 to 2019
- the timeliness and consistency of follow-up inspections and enforcement actions.

At each LG entity, we sampled 10 food businesses (5 high risk and 5 medium risk) from 2018 to 2019 to review risk assessments, any subsequent risk re-assessments, inspection records and any associated enforcement activities. We also accompanied an environmental health officer on a food business inspection at both LG entities.

We spoke with staff at the LG entities who deal with registration, risk assessment, inspection, education and enforcement of food businesses.

This audit did not review animal food processing premises, retail pet meat stores or businesses exempt from registration (such as newsagents selling low risk packaged foods).

This was a performance audit, conducted under Section 18 of the *Auditor General Act 2006*, in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other ethical requirements related to assurance engagements. Performance audits focus primarily on the effective management and operations of entity programs and activities. The approximate cost of undertaking the audit and reporting was \$184,000.

### Auditor General's reports

Report number	2019-20 reports	Date tabled
27	Information Systems Audit Report 2020 – Local Government Entities	25 June 2020
26	Western Australian Public Sector Audit Committees – Better Practice Guide	25 June 2020
25	WA's Transition to the NDIS	18 June 2020
24	Opinion on Ministerial Notification	16 June 2020
23	Opinion on Ministerial Notification	29 May 2020
22	Regulation of Asbestos Removal	21 May 2020
21	Audit Results Report – Annual 2019 Financial Audits	12 May 2020
20	Local Government Contract Extensions and Variations and Ministerial Notice Not Required	4 May 2020
19	Control of Monies Held for Specific Purposes	30 April 2020
18	Information Systems Audit Report 2020 – State Government Entities	6 April 2020
17	Controls Over Purchasing Cards	27 March 2020
16	Audit Results Report – Annual 2018-19 Financial Audit of Local Government Entities	11 March 2020
15	Opinion on Ministerial Notification	28 February 2020
14	Opinion on Ministerial Notification	31 January 2020
13	Fee-setting by the Department of Primary Industries and Regional Development and Western Australia Police Force	4 December 2019
12	Audit Results Report – Annual 2018-19 Financial Audits of State Government Entities	14 November 2019
11	Opinion on Ministerial Notification	30 October 2019
10	Working with Children Checks – Follow-up	23 October 2019
9	An Analysis of the Department of Health's Data Relating to State-Managed Adult Mental Health Services from 2013 to 2017	9 October 2019
8	Opinions on Ministerial Notifications	8 October 2019
7	Opinion on Ministerial Notification	26 September 2019
6	Opinions on Ministerial Notifications	18 September 2019
5	Fraud Prevention in Local Government	15 August 2019
4	Access to State-Managed Adult Mental Health Services	14 August 2019
3	Delivering Western Australia's Ambulance Services – Follow-up Audit	31 July 2019
2	Opinion on Ministerial Notification	26 July 2019
1	Opinions on Ministerial Notifications	19 July 2019



Office of the Auditor General  
Western Australia

7<sup>th</sup> Floor Albert Facey House  
469 Wellington Street, Perth

Perth BC, PO Box 8489  
PERTH WA 6849

T: 08 6557 7500  
F: 08 6557 7600  
E: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)  
W: [www.audit.wa.gov.au](http://www.audit.wa.gov.au)

 @OAG\_WA

 Office of the Auditor General for  
Western Australia

# Western Australian Auditor General's Report



## Working with Children Checks – Managing Compliance



Report 1: 2020-21

15 July 2020

Office of the Auditor General  
Western Australia

**Audit team:**

Aloha Morrissey  
Andrew Harris  
Adam Dias  
Justin Fairhead  
Rachael Wilkins

National Relay Service TTY: 13 36 77  
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for those with visual impairment.

© 2020 Office of the Auditor General Western Australia.  
All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged.

ISSN: 2200-1913 (Print)  
ISSN: 2200-1921 (Online)

***The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.***

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

---

**Working with Children Checks – Managing  
Compliance**

---

Report 1: 2020-21  
July 2020



**THE PRESIDENT  
LEGISLATIVE COUNCIL**

**THE SPEAKER  
LEGISLATIVE ASSEMBLY**

**WORKING WITH CHILDREN CHECKS – MANAGING COMPLIANCE**

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed whether the WA health system, the Department of Justice and the Department of Education complied with their Working with Children Check obligations. It follows on from my Office's 2019 report: *Working with Children Checks – Follow up*.

I wish to acknowledge the entities' staff for their cooperation with this report.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER  
AUDITOR GENERAL  
15 July 2020

## Contents

Auditor General's overview .....	2
Executive summary .....	3
Introduction .....	3
Background .....	3
Audit conclusion .....	4
Findings .....	5
A lack of corporate direction and monitoring has contributed to inconsistent management of obligations .....	5
Entities may not know when Cards have expired or been revoked .....	8
Some policies and procedures do not provide staff with adequate guidance .....	8
Recommendations .....	9
Response from audited entities .....	9
Audit focus and scope .....	10

## Auditor General's overview

This report contains the findings from our audit on how 3 large public entities manage their obligations under the *Working with Children (Criminal Record Checking) Act 2004*. It follows our October 2019 audit on how the Department of Communities administers the Working with Children Check process.



Working with Children Checks are an important part of every organisation's suite of controls to protect the children in their care. The public has every right to expect that public sector entities demonstrate the highest standards in implementing these controls to help keep children safe.

We found all the entities we audited understand the need for Working with Children Checks, and they had some systems in place to administer their obligations. However, we found gaps in processes, errors in record keeping, and shortcomings in performance monitoring. These gaps increase the risk that entities may not be able to ensure everyone who needs a Working with Children card, has one.

In this report, we have opted to de-identify the findings to allow us to progress the audit, while reducing pressure on agencies at the frontline of the State's COVID-19 response. We have provided each entity with detailed findings relevant to their organisation, so they are aware of the gaps in their systems and can take appropriate action. Entities' audit committees should monitor the timely implementation of those actions and my Office may conduct a follow-up audit in due course.

The issues we found serve as timely reminders. I encourage all organisations who work with children, public sector or otherwise, to consider the findings in this report. All entities should review their Working with Children control environment and where necessary implement the recommendations. This will help to ensure organisations are meeting their obligations to help keep children safe.

## Executive summary

### Introduction

This audit follows on from our previous reports on how the Department of Communities (Communities) manages the Working with Children Check process.<sup>1</sup> The audit assessed whether the WA health system, the Department of Justice and the Department of Education complied with their obligations to ensure everyone on their sites who needed a Working with Children Card (Card) had one. Collectively, the entities had more than 80,000 staff and a large number of volunteers, higher education students, and contractors engaged in child-related work.

The recommendations in this report are generally applicable across the public sector and to any other organisations where individuals work with children, and we encourage all entities to assess their own practices against the matters raised in the report. We have de-identified the findings in this report but have provided each entity with detailed findings to act on.

### Background

The Working with Children Check is a compulsory screening strategy in Western Australia for individuals who work with children. Under the *Working with Children (Criminal Record Checking) Act 2004 (Act)*, no one may engage in prescribed child-related work without a valid Card, an active application, or an exemption.<sup>2</sup> This is an important control to help organisations keep the children in their care safe.

Individuals apply for a Card through Communities, who assesses the application. In deciding whether to issue a Card, Communities considers information such as whether an individual's criminal record and behaviour indicates they pose a risk to children. Communities can either issue a Card, decline the application (called a negative notice) or issue an interim negative notice while it conducts additional assessment.

Cards expire after 3 years, and individuals must renew their Card before it expires to keep working with children. Communities continually monitors cardholders, and can revoke a Card if it believes the individual poses a risk. If Communities revokes a Card, it notifies the individual's employer(s) as listed in the Communities database. As a result, it is important that employers notify Communities when hiring employees for child-related work.

While it is an individual's responsibility to apply for a Card, the Act also sets requirements for employers. Section 22 of the Act outlines when not to employ people in child-related work. For example:

- if they do not have a valid Card or application in process
- if they are aware the person has an interim negative notice or if the person has worked for them for more than 5 days in a year without a Card.

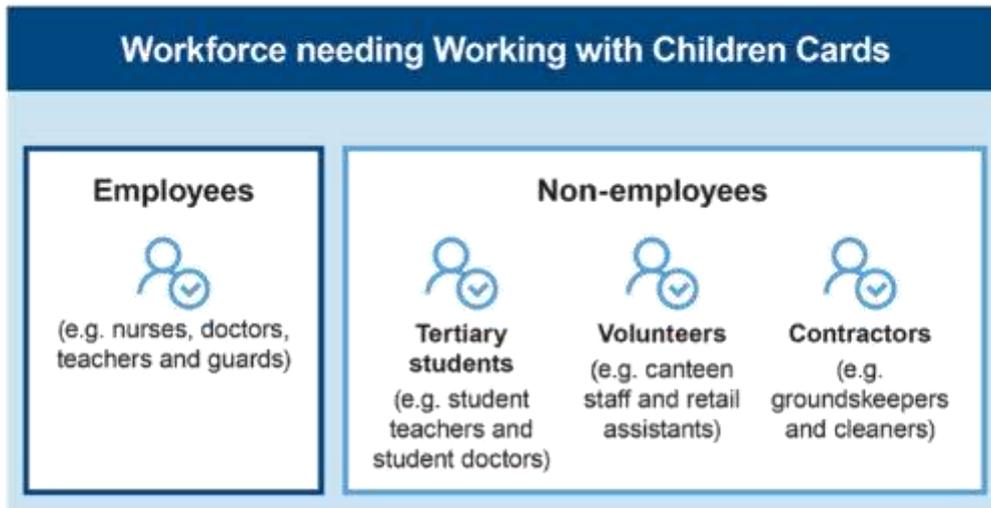
To provide a safe environment for children, entities must be sure that all individuals working with children are suitable (Figure 1). At a minimum, entities need to:

- identify which positions require a Card under the Act
- meet all the requirements of section 22 of the Act

<sup>1</sup> OAG 2014 [Report 15: Working with children checks](#) and OAG 2019 [Report 10: Working with Children Checks – Follow up](#)

<sup>2</sup> The Act provides a list of child-related work categories, as well as exemptions – see OAG 2019 [Report 10: Working with Children Checks – Follow up](#). Appendix 1

- ensure all students over 18, contractors and volunteers working with children on site have valid Cards
- check with Communities that Cards of new employees are still valid
- notify Communities when hiring new employees, so Communities can notify them if it revokes an employee's Card
- maintain accurate and complete records of Cards and applications for all individuals on site to meet the requirements of section 42 of the Act. Section 42 requires employers to provide Communities with evidence that they have complied with the Act, if requested.



Source: OAG

Figure 1: Examples of individuals within an entity that may need a Card.

Communities provides guidance on working with children obligations and templates for recordkeeping, which entities and individuals can access through Communities' website. Entities can check the validity of existing Cards or the status of applications before individuals start work using an individual's surname and either the application or Card number, and also notify Communities of any change in employees.

### Audit conclusion

None of the 3 entities we audited fully complied with their Card obligations and they could not be sure that everyone who needs a Card, has one. All 3 entities understood the need for Cards, but control weaknesses create the risk that unsuitable individuals could work with children.

All the entities had policies requiring individuals working with children who needed a Card, to have one. However, these policies were not always followed. Further, practices across operational areas varied in effectiveness, and information was often decentralised. As a result, entities did not have a complete understanding of whether everyone working with children has a Card.

When individuals start working with children, the audited entities do not always check that Cards are valid or inform Communities of these new hires. This means entities may not be made aware when Communities revokes a Card and there is a risk that entities could allow unsuitable employees to work with children.

## Findings

### **A lack of corporate direction and monitoring has contributed to inconsistent management of obligations**

The 3 audited entities did not consistently manage their records to meet their Card obligations. For example, we found 1 entity had not identified the positions that need a Card, some operational areas did not understand what information needed to be recorded, and all entities' records were incomplete and contained errors. These gaps in controls mean that entities cannot be sure all individuals who need a card have one.

#### **Card recording is inconsistent**

All 3 entities recorded Card details. Each took a different approach:

- a centralised database of all individuals onsite, updated by operational areas, that directly checks the Card status of employees against the Communities database. This provides a good, consistent approach for all individuals
- a centralised database of employees only that is updated by a dedicated area within the entity. Cards of relevant tertiary student placements, volunteers and contractors are recorded in decentralised spreadsheets maintained by individual operational areas. As a result, approaches for tertiary students, volunteers and contractors can vary
- decentralised spreadsheets for all individuals on site maintained by individual operational areas. As a result, approaches to recording information can vary.

Without consistent recording of key information, entities cannot be sure their records meet their obligations, which increases the risk of unsuitable individuals working with children. In Case study 1, we found an entity inconsistently recorded Card information for students, contractors and volunteers. This entity did not capture information for these Cards in a central system and had not provided direction to their operational areas on what to record. As a result, while some areas had detailed records, others did not.

**Case study 1: varying practices within a single entity**

At 1 entity we reviewed a large operational area to see how well 8 of its business units recorded tertiary student, contractor and volunteer Card information. We found varying practices between the business units, with 4 units capturing detailed information, 2 units sighted Cards but did not record information, 1 took copies of Cards but did not create a register, and 1 did not keep records (Figure 2). The entity told us that the universities process all tertiary students through a database that requires students to have Cards. However, we could not find evidence entity staff checked this system. As a result, 3 of the business units cannot be sure that all individuals working on site have valid Cards.

	Number of business units	Approaches to capturing Card information
<b>Appropriate details recorded</b>	4	Records capture Card number, name and expiry date.
<b>Limited details recorded</b>	2	Records do not record Card number or expiry date, however, they do note staff sighted a Card.
	1	Copies of Cards taken, but no searchable records created.
<b>No tracking</b>	1	No information recorded.

Source: OAG based on entity data

**Figure 2: Varying business unit approaches to recording Card information within 1 entity.**

**Incomplete and incorrect records prevent entities from knowing if all employees have a Card**

Not all central records identify employee positions that require a Card. We found 1 entity relied on its operational areas to identify these positions, as it did not have a central listing, while the other 2 entities had flagged positions that needed a Card within their HR systems. Without a central listing of positions, entities cannot be certain everyone who needs a Card has one.

Card record systems all had missing or incorrect information. All entities' record systems had fields for essential Card information for employees, including:

- name
- date of birth
- Card number
- Card expiry date.

However, we found 5,783 (6.9%) of the 83,713 records had errors or gaps. These included incorrect Card numbers, alternate spelling of surnames and incorrect expiry dates (Figure 3). In 412 cases, the entities' records showed Cards as valid for longer than they actually were. These issues would prevent entities from checking if Cards were valid, or in some cases, knowing when a Card has or is about to expire.

Issues identified in entities' records	Number of records with issue*
Card number not recorded	80
Card number assigned to multiple individuals in the entity's records	6
Card number was not a real Card number	238
Surname in entities' record spelt differently to Communities' record	2,903
Date of birth different to Communities' records	8
Expiry date different to Communities' records	2,549

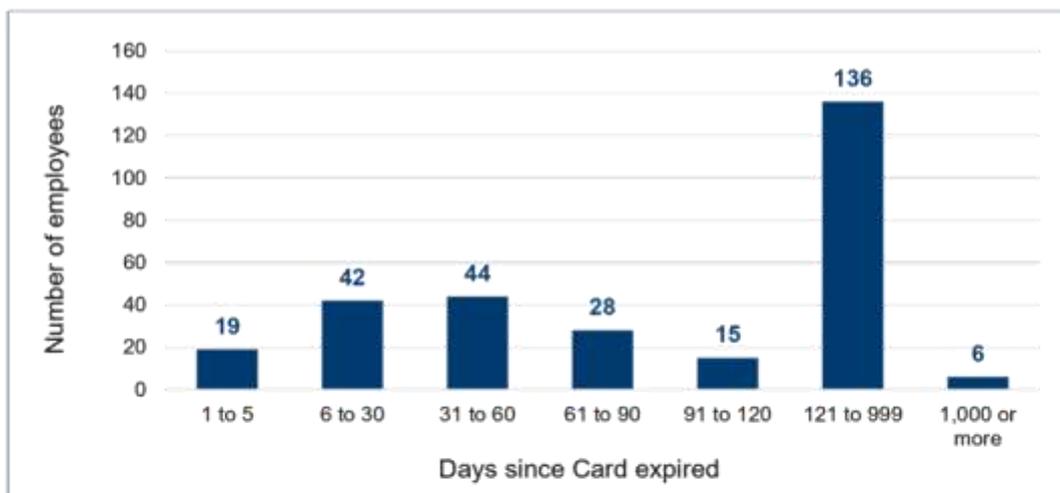
(\* 1 record had multiple errors)

Source: OAG

**Figure 3: Missing or incorrect employee information in the 3 entities' records.**

While most employees had valid Cards, we found employees in all 3 entities whose Cards had expired. We did not find any employees working with children with a negative notice or an interim negative notice. We could match 80,486 records to Communities' database at a point in time and found 80,196 (99%) employees had valid Cards.<sup>3</sup>

For those 290 Cards that had expired, the majority had been expired for more than 5 days and more than half had been expired for more than 90 days (Figure 4). Entities would not have met their obligations under section 22 of the Act if they allowed these individuals to work with children for more than 5 days in a year. We have provided a list of these employees to each relevant entity, for follow-up purposes.



Source: OAG

**Figure 4: Expired Cards across all 3 entities, at 4 November 2019.<sup>4</sup>**

### Executive teams do not adequately monitor how well their entities manage Cards

Entities do not have a good understanding of how well they manage Card obligations. None of the executive teams at the 3 entities received detailed information on how Card obligations were met across their operations. One entity's executive team did not receive any reports on

<sup>3</sup> Comparing entity records to a snapshot of the Communities Working With Children database from 4 November 2019

<sup>4</sup> This table excludes employees who were on leave on 4 November 2019, as they were not working with children on that day

how well Cards were managed. The other 2 entities only provided their executive team with the total number of expired Cards, without information on how long Cards had been expired or a breakdown by operational areas. Periodic performance monitoring by executive teams is an effective way for entities with diversified and decentralised operations, like the 3 we audited, to identify and address systemic compliance issues.

In the 2 entities with centralised data systems, operational areas receive reports when employee Cards expire or are due to expire. This helps these operational areas proactively manage compliance.

## Entities may not know when Cards have expired or been revoked

Automated and manual processes to check Cards are not fully effective and increase the risk that entities could allow unsuitable individuals to work with children. We found:

- at the entity with automated Card checks against the Communities database, these checks were not always effective. Staff did not add all individuals to the record system and as a result, the automated process could not check all Cards. This automated system could provide the entity with an effective control. However, for it to be fully effective, all individuals need to be entered
- entities cannot be sure manual checks were done. The 2 entities that relied on manual processes to check Cards against the Communities' webpage did not capture if these checks were performed, and we found no other evidence that they were.

Entities may not be notified when Cards are revoked by Communities, as they do not always inform Communities of new hires. We checked entities' Card records against the Communities database for 5 operational areas, across the 3 audited entities. We matched 690 individuals and found the Communities database did not list the entity as an employer in 53 (7.7%) cases. These Cards were still valid, but Communities would not know to notify the entities if it revoked the Card. As a result, entities would not be aware they are placing children at risk if a Card is revoked by Communities.

We acknowledge, that during the audit, 1 of the operational areas improved its processes and registered existing employees with Communities.

## Some policies and procedures do not provide staff with adequate guidance

Not all policies provided staff with clear guidance on how to manage Card obligations. We found 1 entity did not have an up-to-date policy or procedures that align to the entity's current organisational structure. Instead, operational areas relied on old policies from 2010 that did not provide guidance on which positions in the new structure needed a Card and referred staff to non-functioning hyperlinks. Up-to-date policies and procedures help staff fulfil their duties to manage Card obligations. The entity told us it is reviewing its policies and hopes to complete this work in 2020.

While the other 2 entities had central policies, we found some staff were unaware of existing policies. We interviewed staff who managed Cards and found some were not familiar with their entity's working with children policy. Entities should actively promote awareness of their policies to reduce the risk of them not meeting their working with children obligations. We note that 1 entity developed an online training package about their policy in February 2019, which only 1.5% of staff had completed in the 10 months up to our audit.

---

## Recommendations

All public sector entities who work with children, including those not sampled in this audit, should consider the findings in this report and implement the recommendations where appropriate, by 31 December 2020. To ensure they manage their working with children obligations, all entities should:

1. review their policies and procedures and communicate these to staff
2. ensure their Card records:
  - a. identify all positions that require a Card and ensure that all individuals in those positions have a Card
  - b. capture sufficient information to track and monitor the Card status of all individuals, including Card number, surname, expiry date and where necessary, date of birth.
  - c. are complete and accurate
3. ensure all Cards are valid by:
  - a. checking the Cards of all individuals against the Communities database, before they start working with children
  - b. registering new employees with Communities
  - c. re-checking all Cards, at least once per year
4. monitor how they manage Card obligations through regular, detailed reporting on entity compliance to executive.

## Response from audited entities

The 3 entities we audited generally accepted our recommendations and confirmed where relevant they would amend their policies, procedures and systems to improve Working with Children controls.

## Audit focus and scope

This audit assessed whether the entities within the WA health system, the Department of Justice and the Department of Education complied with their working with children obligations. We focused on the following criteria:

- Have the entities identified all positions that require a Working with Children Card?
- Do the entities ensure all positions that require a Working with Children Card have a valid Card or application in process?

We reviewed the entities' approaches to managing their Card obligations for all individuals engaged in child-related work on their sites. This includes employees, as well as tertiary students, contractors and volunteers.

During the audit we:

- reviewed entity policies and procedures
- reviewed entity Card recordkeeping systems
- checked more than 83,000 entity records against a snapshot of the Department of Communities' database from 4 November 2019, to identify the number of individuals working for audited entities who had valid Cards
- interviewed key staff within the WA health system, the Department of Justice and the Department of Education, across both central and operational areas.

This was a performance audit, conducted under section 18 of the *Auditor General Act 2006*, in accordance with the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other ethical requirements related to assurance engagements. Performance audits focus primarily on the effective management and operations of entity programs and activities. The approximate cost of undertaking the audit and reporting was \$464,830.

### Auditor General's 2020-21 reports

Number	Title	Date tabled
1	Working with Children Checks – Managing Compliance	15 July 2020



Office of the Auditor General  
Western Australia

7<sup>th</sup> Floor Albert Facey House  
469 Wellington Street, Perth

Perth BC, PO Box 8489  
PERTH WA 6849

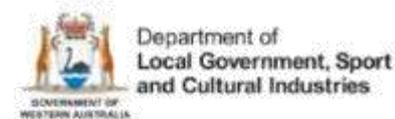
T: 08 6557 7500  
F: 08 6557 7600  
E: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)  
W: [www.audit.wa.gov.au](http://www.audit.wa.gov.au)



@OAG\_WA



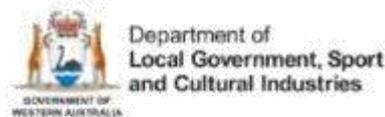
Office of the Auditor General for  
Western Australia



## Armadale - Compliance Audit Return 2020

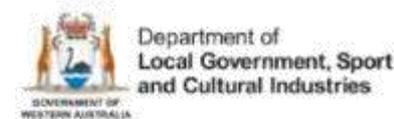
### Commercial Enterprises by Local Governments

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 2020?	N/A	No major trading undertakings in 2020	Chief Executive Officer
2	s3.59(2)(b) F&G Regs 7,8,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2020?	N/A	No major land transactions in 2020	Chief Executive Officer
3	s3.59(2)(c) F&G Regs 7,8,10	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 2020?	N/A	No major land transactions in 2020	Chief Executive Officer
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 2020?	N/A	No major trading undertakings in 2020	Chief Executive Officer
5	s3.59(5)	During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	No major land transactions in 2020	Chief Executive Officer



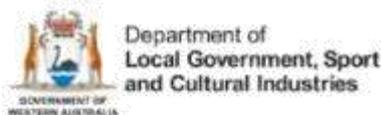
**Delegation of Power/Duty**

No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	No delegations to committees	Chief Executive Officer
2	s5.16	Were all delegations to committees in writing?	N/A	No delegations to committees	Chief Executive Officer
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A	No delegations to committees	Chief Executive Officer
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A	No delegations to committees	Chief Executive Officer
5	s5.18	Has council reviewed delegations to its committees in the 2019/2020 financial year?	N/A	No delegations to committees	Chief Executive Officer
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	)	Chief Executive Officer
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Chief Executive Officer
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Chief Executive Officer
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Chief Executive Officer
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		Chief Executive Officer
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		Chief Executive Officer
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?	No	The City is currently undertaking a full review of its delegations in conjunction with its policies. A systematic approach has been adopted. In phase one every delegation and policy is presented to Council via the City's SOHAG committee. Phase two will focus on the systematic recording of delegations	Chief Executive Officer
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		Chief Executive Officer

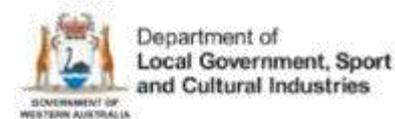


**Disclosure of Interest**

No	Reference	Question	Response	Comments	Respondent
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?	Yes	Record of minutes held by the City demonstrates compliance	Chief Executive Officer
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?	N/A	No circumstance of this nature arose in 2020	Chief Executive Officer
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	Record of minutes held by the City demonstrates compliance	Chief Executive Officer
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		Chief Executive Officer
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?	No	An employee on long term leave did not submit an annual return by the due date. This matter has been reported in accordance with legislative requirements	Chief Executive Officer
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		Chief Executive Officer
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		Chief Executive Officer
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		Chief Executive Officer
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?	No	Some hard copy returns were not removed from physical files due to office inaccessibility during the COVID-19 lockdown period	Chief Executive Officer
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		Chief Executive Officer
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		Chief Executive Officer



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		Chief Executive Officer
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?	N/A	No circumstance of this nature arose in 2020	Chief Executive Officer
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		Chief Executive Officer
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?	Yes		Chief Executive Officer
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?	Yes		Chief Executive Officer
17	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?	Yes		Chief Executive Officer
18	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?	N/A	No circumstance of this nature arose in 2020	Chief Executive Officer
19	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?	N/A	No circumstance of this nature arose in 2020	Chief Executive Officer
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?	Yes	Currently being reviewed for compliance with new Regulations	Chief Executive Officer
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?	Yes		Chief Executive Officer

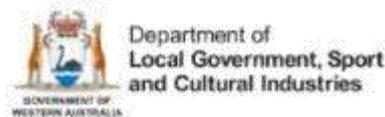


**Disposal of Property**

No	Reference	Question	Response	Comments	Respondent
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		Chief Executive Officer
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		Chief Executive Officer

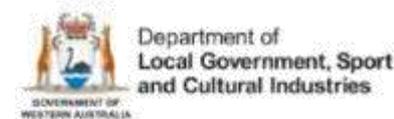
**Elections**

No	Reference	Question	Response	Comments	Respondent
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?	Yes	Register is empty. No elections in 2020	Chief Executive Officer
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?	N/A	No elections in 2020	Chief Executive Officer
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)?	No	The register is now on the City's website. There were no gifts to disclose	Chief Executive Officer



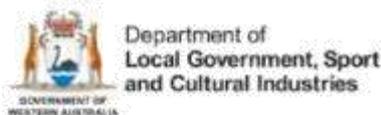
**Finance**

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	Refer SCM 21 October 2019	Chief Executive Officer
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?	N/A	No additional powers or duties delegated	Chief Executive Officer
3	s7.3(1) & s7.6(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	OAG was the City's auditor in 2020	Chief Executive Officer
4	s7.3(3)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor?	N/A	OAG was the City's auditor in 2020	Chief Executive Officer
5	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020?	Yes	Received 14/12/2020	Chief Executive Officer
6	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?	N/A	No matters raised	Chief Executive Officer
7	s7.12A(4)(a)	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?	Yes		Chief Executive Officer
8	s7.12A(4)(b)	Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes	Sent on 8 January 2021	Chief Executive Officer
9	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes		Chief Executive Officer
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor?	Yes	External Audit Plan with Macri Partners 2019/2020	Chief Executive Officer
11	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?	Yes	Yes	Chief Executive Officer



**Integrated Planning and Reporting**

No	Reference	Question	Response	Comments	Respondent
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 (qualified for the review in progress)	<p>In October 2019, a Major review of the Strategic Community Plan and Corporate Business plan was commenced.</p> <p>Workshops were undertaken over the ensuing months into February 2020. The City was close to finalising the review, prior to further consultation and engagement with the Community. However, due to COVID-19 Pandemic, the review was placed on hold. Subsequently, the City recommenced the review in September 2020 and advertised the draft Strategic Community Plan in December 2020, following the decision of Council to endorse the draft documents for advertising. The Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan are expected to be endorsed by Council by Q2 2021</p>	Chief Executive Officer
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 (qualified for the review in progress)	<p>In October 2019, a Major review of the Strategic Community Plan and Corporate Business plan was commenced.</p> <p>Workshops were undertaken over the ensuing months into February 2020. The City was close to finalising the review, prior to further consultation and engagement with the Community. However, due to COVID-19 Pandemic, the review was placed on hold. Subsequently, the City recommenced the review in September 2020 and advertised the draft Strategic Community Plan in December 2020, following the decision of Council to endorse the draft documents</p>	Chief Executive Officer



				for advertising. The Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan are expected to be endorsed by Council by Q2 2021	
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes (qualified for the review in progress)	In October 2019, a Major review of the Strategic Community Plan and Corporate Business plan was commenced. Workshops were undertaken over the ensuing months into February 2020. The City was close to finalising the review, prior to further consultation and engagement with the Community. However, due to COVID-19 Pandemic, the review was placed on hold. Subsequently, the City recommenced the review in September 2020 and advertised the draft Strategic Community Plan in December 2020, following the decision of Council to endorse the draft documents for advertising. The Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan are expected to be endorsed by Council by Q2 2021	Chief Executive Officer

**Local Government Employees**

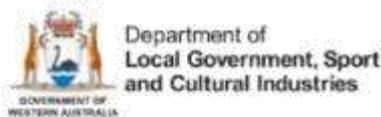
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	No change of CEO in 2020	Chief Executive Officer
2	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	N/A	One senior employee vacancy yet to be advertised	Chief Executive Officer
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	No change of CEO in 2020	Chief Executive Officer
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)?	N/A	No change of CEO in 2020	Chief Executive Officer
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes		Chief Executive Officer



Department of  
Local Government, Sport  
and Cultural Industries

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?	N/A		Chief Executive Officer
---	----------	--	-----	--	-------------------------

Government of Western Australia | Department of Local Government, Sport and Cultural Industries | City of Perth | 2021

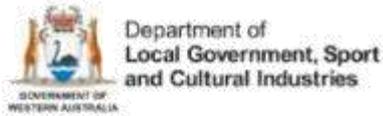


**Official Conduct**

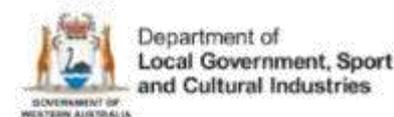
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	N/A	CEO is the Complaints Officer	Chief Executive Officer
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)?	Yes		Chief Executive Officer
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2)?	Yes		Chief Executive Officer
4	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?	N/A	The register has been maintained but was not published on the City's website. There were no complaints and it is now on the website.	Chief Executive Officer

**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 2020? If yes, please provide the date of council's resolution to accept the report.	Yes		Chief Executive Officer
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 years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report.	Yes		Chief Executive Officer
3	s5.87C(2)	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift?	Yes		Chief Executive Officer
4	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C?	Yes		Chief Executive Officer
5	s5.90A(2)	Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?	No	A draft policy has been prepared however further review is required and will be presented to Council early 2021	Chief Executive Officer



6	s.5.90A(5)	Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?	No	No policy to publish	Chief Executive Officer
7	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		Chief Executive Officer
8	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?	No	A draft policy has been prepared however further review is required and will be presented to Council early 2021	Chief Executive Officer
9	s5.127	Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020?	Yes		Chief Executive Officer
10	s6.4(3)	By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020?	Yes		Chief Executive Officer



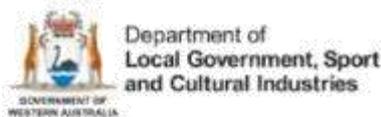
**Tenders for Providing Goods and Services**

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Does the local government have a current purchasing policy that complies 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, \$250,000 or less or worth \$250,000 or less?	Yes		Chief Executive Officer
2	F&G Reg 11A(1)	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	No	<p>The City conducted proactively, a number of audits during the year, including the Financial Management Review audit, Internal Audits on Contracts and Procurement risks and controls and the interim/annual financial audit.</p> <p>Instances were identified during the reporting period of non-compliance with the City's Purchasing Policy. These incidents were reported to the Audit Committee, including further controls measures developed and management responsibility assigned.</p> <p>Supplementary information (to the CAR) regarding the Audit Findings and Management responses, presented to the Audit Committee are available in the Audit Committee minutes for 8 December 2020, 1 October 2020, 5 August 2020 and 10 March 2020.</p>	Chief Executive Officer
3	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		Chief Executive Officer
4	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 Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Chief Executive Officer
5	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		Chief Executive Officer
6	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		Chief Executive Officer



Department of  
Local Government, Sport  
and Cultural Industries

7	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?	No	Due to COVID 19 Restrictions resulting in the closure of the main administration building to the General Public for a period of the year, not all Tenders openings were available for public attendance. The City did provide the information regarding the details of the tenders to the General Public that requested it via an email request to procurement@armadale.wa.gov.au All tenders we kept securely and remained confidential until the closing deadline had passed either via the locked Tender Box in the main administration building or following the COVID 19 building closure via the online system Vendor Panel.	Chief Executive Officer
8	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?	No	The information recorded in the tender register complies with the requirements of F&G Reg 17. Prior to COVID 19 Restrictions the Tender Register was publically available via a lever arch folder kept in the Procurement Area. During the COVID 19 building closure the Tender Register was available electronically if requested by a member of the general public via the Procurement email address.	Chief Executive Officer
9	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?	No		Chief Executive Officer
10	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		Chief Executive Officer
11	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		Chief Executive Officer
12	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?	N/A	No EOI's were undertaken in 2020	Chief Executive Officer
13	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?	N/A	No EOI's were undertaken in 2020	Chief Executive Officer
14	F&G Reg 23(3)	Were all expressions of interest that were not rejected assessed by the local government?	N/A	No EOI's were undertaken in 2020	Chief Executive Officer
15	F&G Reg 23(4)	After the local government considered expressions of	N/A	No EOI's were undertaken in 2020	Chief Executive Officer



		interest, did the CEO list each person considered capable of satisfactorily supplying goods or services as an acceptable tenderer?			
16	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?	N/A	No EOI's were undertaken in 2020	Chief Executive Officer
17	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	Yes		Chief Executive Officer
18	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?	Yes		Chief Executive Officer
19	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?	Yes		Chief Executive Officer
20	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?	Yes		Chief Executive Officer
21	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?	Yes		Chief Executive Officer
22	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?	Yes		Chief Executive Officer
23	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes		Chief Executive Officer
24	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?	N/A		Chief Executive Officer