

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)**

Ward : All  
 Category : Operational  
 Subject Index : Audits - Compliance  
 Customer Index : Department of Local Government, Sport and Cultural Industries  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : Item M21/5823 – Compliance Audit Return 2020 – Ordinary Meeting of Council 16 March 2021  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Julie Head  
 Governance Officer

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input checked="" type="checkbox"/>	<b>Review</b>	<b><i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i></b>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**

- All Western Australian Local Authorities are required to undertake a Compliance Audit Return (the Return) and submit their findings to the Department of Local Government, Sport and Cultural Industries (the Department) by 31 March each year.
- The City has demonstrated compliance to 96 (98%) of the 98 questions provided by the Department of Local Government Sports and Industries for the 2021 Compliance Audit Return.
- The Process Improvement Auditor completed verification of the Return and found two non-conformances and noted two opportunities for improvement. Findings and their corresponding corrective actions are included in this report.
- The Financial Management, Audit, Risk and Compliance Committee considered the 2021 Compliance Audit Return at its meeting held 14 March 2022 and recommend the Return to the Council for consideration and adoption.

**BACKGROUND**

A Compliance Audit Return was conducted covering the period 1 January 2021 to 31 December 2021. The completed Compliance Audit Return forms part of the Attachments to the Agenda [5901 – Compliance Audit Return 2021](#)

It is a requirement that the Compliance Audit Return is presented to the Council for adoption. A copy of the Council report and a certified copy of the return are required to be endorsed by the Mayor and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2022.

**DETAIL**

There are 98 questions on the 2021 Return. The Compliance Audit Return only assesses compliance against the *Local Government Act 1995* and associated Regulations. The responses of Officers to the audit questions have been audited by the Process Improvement Auditor who has included his comment in this report. The City has taken this additional audit examination approach for some years. During the audit examination two Non-Conformances together with two Improvement Actions to the City's current practices were identified and will be actioned in 2022.

The format of the return varies each year with the Department only testing those areas considered to be high risk. The questions relate to:

*Local Government Act 1995;*  
*Local Government (Administration) Regulations 1996;*  
*Local Government (Function and General) Regulations 1996;*  
*Local Government (Audit) Regulations 1996,*  
*Local Government (Rules of Conduct Regulations) 2007 (repealed 3 Feb 2021),*  
*Local Government (Elections) Regulations 1997, and*  
*Local Government (Financial Management) Regulations 1996*

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)**

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires each local government's Audit Committee to review the Return and report the results of that review to the Council.

The areas that the Return relates to and the changes to the number of questions are below:

Section Number	Area of legislation	2021 Number of Questions	Changes from 2020
1	Commercial Enterprises by Local Government	5	
2	Delegation of Power/Duty	13	
3	Disclosure of Interest	25	+4
4	Disposal of Property	2	
5	Elections	3	
6	Finance	7	-4
7	Integrated Planning and Reporting	3	
8	Local Government Employees	6	
9	Official Conduct	3	-1
10	Optional Questions	9	-1
11	Tenders for Providing Goods and Services	22	-2

The *Local Government (Audit) Regulations 1996 R14 Compliance audits by local governments (1),(2),(3A) and (3)* defines the role of the Local Government's audit committee in this annual Compliance Audit Return.

The Return has been compiled with continued substantial rigour beyond that experienced in most local governments. Officers have been required to demonstrate compliance and provide detail of their work to ensure the work procedures of the City meet obligations of the Act and Regulations.

There are ongoing efforts to increase Officer Knowledge of compliance matters and where possible, systems have been amended to assist with compliance requirements.

The Return containing the questions and responses is provided as an attachment. This document is provided by the Department of Local Government, Sport and Cultural Industries in an on-line SmartHub to allow local governments to update the Return with their responses and when completed, print for certification by the Mayor and Chief Executive Officer.

The City's Compliance Calendar is used to assist management of all legislative compliance matters. The Calendar is updated monthly which enables a management response should a matter require attention.

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****Internal Audit Report – Compliance Audit Return January 2021 to December 2021****Process Improvement Auditor's comments**

The Compliance Audit Return for 2021 has 98 questions, all answers were reviewed and findings are summarized below.

**Findings and Improvement Actions****1. Non Compliance****Local Government Employees Section**

Question – Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg. 18A?

Answer - No

**18A. Vacancy in position of CEO or senior employee to be advertised (Act s. 5.36(4) and 5.37(3))**

- (1) If a position of CEO, or of a senior employee, of a local government becomes vacant, the local government must give Statewide public notice of the position unless it is proposed that the position be filled by —
  - (a) a person who is, and will continue to be, employed by another local government and who will fill the position on a contract or contracts for a total period not exceeding 5 years; or
  - (b) a person who will be acting in the position for a term not exceeding one year.
- (2) The Statewide public notice must contain —
  - (a) the details of the remuneration and benefits offered; and
  - (b) details of the place where applications for the position are to be submitted; and
  - (c) the date and time for the closing of applications for the position; and
  - (d) the duration of the proposed contract; and
  - (da) a website address where the job description form for the position can be accessed; and
  - (e) contact details for a person who can provide further information about the position; and
  - (f) any other information that the local government considers is relevant.

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****Local Government Act 1995**  
Introductory matters **Part 1****s. 1.5****1.7. Local public notice**

Where under this Act local public notice of a matter is required to be given, notice of the matter must be —

- (a) published on the official website of the local government concerned in accordance with the regulations; and
- (b) given in at least 3 of the ways prescribed for the purposes of this section.

*[Section 1.7 inserted: No. 16 of 2019 s. 5.]*

**1.8. Statewide public notice**

Where under this Act Statewide public notice of a matter is required to be given, notice of the matter must be given in accordance with section 1.7(a) and (b) and the requirements prescribed for the purposes of this section.

*[Section 1.8 inserted: No. 16 of 2019 s. 5.]*

**Local Government (Administration) Regulations 1996**  
Public notices **Part 1A****r. 3A****Part 1A — Public notices**

*[Heading inserted: SL 2020/213 r. 15.]*

**3A. Requirements for local public notice (Act s. 1.7)**

- (1) For the purposes of section 1.7(a), notice of a matter must be published on the local government's official website for —
  - (a) the period specified in or under the Act in relation to the notice; or
  - (b) if no period is specified in relation to the notice — a period of not less than 7 days.
- (2) For the purposes of section 1.7(b), each of the following ways of giving notice of a matter is prescribed —
  - (a) publication in a newspaper circulating generally in the State;
  - (b) publication in a newspaper circulating generally in the district;
  - (c) publication in 1 or more newsletters circulating generally in the district;
  - (d) publication on the official website of the Department or another State agency, as appropriate having regard to the nature of the matter and the persons likely to be affected by it, for —
    - (i) the period specified in or under the Act in relation to the notice; or
    - (ii) if no period is specified in relation to the notice — a period of not less than 7 days;
  - (e) circulation by the local government by email, text message or similar electronic means, as appropriate having regard to the nature of the matter and the persons likely to be affected by it;

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)**

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****Local Government (Administration) Regulations 1996****Part 1A** Public notices**r. 3B**

---

- (f) exhibition on a notice board at the local government offices and each local government library in the district for —
  - (i) the period specified in or under the Act in relation to the notice; or
  - (ii) if no period is specified in relation to the notice — a period of not less than 7 days;
- (g) posting on a social media account administered by the local government for —
  - (i) the period specified in or under the Act in relation to the notice; or
  - (ii) if no period is specified in relation to the notice — a period of not less than 7 days.

*[Regulation 3A inserted: SL 2020/213 r. 15.]*

**3B. Requirements for Statewide public notice (Act s. 1.8)**

- (1) For the purposes of section 1.8, one of the ways in which Statewide public notice of a matter must be given is the way prescribed in regulation 3A(2)(a) or (d).

**Findings**

The recruitment for the position of Director Community Development (DCD) was conducted by an external agency and was advertised on Seek.

Advertisement to recruit senior employees is governed by the LG (Admin) Regulations 18A and the local government is required to give Statewide Public Notice relating to the vacancy and the employment terms. As the advertisement for DCD was only posted on Seek it did not comply with LG (Admin) Regulations 18A. The agency consultant advised that he had not been made aware of the relevant legislation by the City's People Services team who engaged them for the recruitment. The prescribed Public Notice of the advertisement for the vacancy per Local Government Act / Regulations is as follows:

- 1) On the City's website (Section 1.7 (a)); plus
- 2) Any 3 of the 7 ways prescribed in LG(Admin) Reg. 3A(2) such as
  - a) the West Australian;
  - b) City's notice board and notice boards of all City's libraries and
  - c) a social media account administered by the City such as Facebook or eNews.

The vacancy for the position of DCD was not advertised in any of the above.

A copy of the advertisement was not saved in ECM [City's Electronic Document Management System] hence whether prescribed details such as remuneration and benefits offered were included cannot be reviewed nor can they be sighted on Seek as all advertisements on their website expire after 30 days.

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)**

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)**

It was further noted that there was no Work Instruction in relation to the recruitment of senior employees to guide staff.

**Improvement Actions**

The People Services team will prepare a work instruction in relation to recruitment / advertisement for senior employees so that legislative compliance can be achieved.

**2. Non Compliance****Delegation of Power/Duty Section**

Question 13 – “Did all persons exercising a delegation of power / duty under the Act keep, on all occasions, a written record in accordance with Admin Regulation 19?”

Answer – No. There are process in place for recording the exercising of delegated authority, however we cannot confirm that these were complied with at all times or on all occasions.

Regulation 19 of the Local Government (Administration) Regulations 1996 requires a written record of the following:

- (a) how the person exercised the power or discharged the duty; and*
- (b) when the person exercised the power or discharged the duty; and*
- (c) the persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.*

**Findings**

Out of the 20 samples tested during this audit, one item was found where an employee had completed an Exercise of Delegated Authority form for a delegation they previously held, which had subsequently been reviewed, removed and the delegation placed with their supervisor. In this instance the follow up communication of post review changes to the process was not effective.

Note that employees with delegated authority are required to file an annual return which creates administrative monitoring to remind, file, follow up, and remove return when the employee leaves the City or his / her delegation has been removed e.g. due to job change and maintain those returns for five years – LG Act Section 5.88(4).

The City has over 60 delegations covering various activities / functions and it is difficult to ensure every exercise of delegation is recorded. However, the City’s approach is to design systems to streamline the recording of delegation exercised by attaching the Exercise of Delegated Authority form to the document / letter that exercises the delegation and save it in one ECM reference number for easy future retrieval. See example below.

LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)

ECM 6710278



Exercise of Delegated Authority

Delegated Authority Number:	DA-061
Delegation Authority Title:	Closure of Thoroughfares
Delegated Officers Name:	Paul Hancock
Position:	Acting Manager Engineering

Please attach copies of reports which identify the manner in which the delegation was exercised and the details of the party/parties affected by this action.

Alternatively, complete the section below.

**How was the Delegation Exercised:**

TMP and TGS for demolition and construction works – 32 Blackwall Reach Parade, Bicton.

**Details of Party Affected by this Action:**

Works will involve iSmart building Group to undertake Demolition and construction Works at 32 Blackwall Reach Parade from December 2021 to December 2022.

The scope of this traffic management plan involves non-complex traffic management arrangements as per section 4.2.3 of the Main Roads of Western Australia's code of Practice. These traffic management arrangements will consist of the following:

- Directional Closure
- Detour

**Other References if Applicable:**

PW883676

**Signature:**

**Date:** 4 January 2022

Document Owner: Governance Officer

Date Reviewed: 19/10/2019



4 January 2022  
Enquiries: Kamal Khali – 9364 0807  
Our Reference: PW883676

Mr Dylan Ross  
Advanced Traffic Management (WA) Pty Ltd  
22-24 Clayton Street  
BELLEVUE WA 6066

Dear Mr Ross

Demolition and Construction Works – 32 Blackwall Reach Parade, Bicton

Under the Local Government Act 1995 section 3.5, the City of Melville approves the Traffic Management Plan (TMP) for the proposed works at the abovementioned site. The approval is subject to the generic TMP 23405 Rev D, the associated Traffic Guidance Schemes (TGS) submitted and to the following conditions:

1. Working hours shall be as outlined in the approved TMP.
2. All signs and barriers are to be placed in accordance with the latest Main Roads WA Traffic Management for Works on Roads Code of Practice, AS 1742.3-2019, in accordance to the TGS submitted and monitored regularly.
3. Residents and business owners directly affected by the road closure shall be notified through a letter drop at least two weeks prior to the commencement of works on site.
4. Residents and businesses must have access to their premises at any time.
5. Impact on pedestrian and cyclist movements shall be minimised at any time during the works.
6. The verge shall not be used for storing materials or parking without a permit from the City.
7. This approval is valid for six (6) months from the date of approval. Should the works on site exceed six months; the Applicant is required to seek a new approval in order to continue working on site.
8. All relevant authorities are to be notified, accordingly.
9. Any damage to the carriageway, footpath, kerbing, and/or verge shall be reinstated to its original or better condition, and all debris is to be removed from the site upon the completion of the works.
10. The City reserves the right to amend this approval or withdraw it completely at its discretion.

The City of Melville does not guarantee or accept any liability whatsoever associated with this application by the issue of this notice.

If you require any further information or clarification regarding this matter, please do not hesitate to contact Mr Kamal Khali, the City's Traffic and Road Safety Coordinator on 9364 0667.

Yours sincerely

Paul Hancock  
Acting Manager Engineering

General Enquiries: Tel: 1300 633 640 | 9364 0666 Email: [melville@melville.wa.gov.au](mailto:melville@melville.wa.gov.au) [www.melville.wa.gov.au](http://www.melville.wa.gov.au)  
Street Address: 10 Melville Drive, Scarborough WA 6154 Postal Address: Locked Bag 1, Scarborough WA 6154  
National Relay Service: Tel: 133 477 (au) 1300 555 727 [www.nrs.gov.au](http://www.nrs.gov.au) [nrs.gov.au](http://nrs.gov.au) ABN: 81 02 430 980

LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****Improvement Actions**

All service areas have been reminded of the requirements as part of this annual compliance/ educational audit.

**3. Opportunity for Improvement****Integrated Planning and Reporting Section**

Question 2 – Has the local government adopted by absolute majority a corporate business plan? If yes, please provide the adoption date or date of the most recent review in the Comments section?

Answer – The strategic community plan and the corporate business plan were approved by Council on 15 September 2020 and the most recent review was conducted on 14 December 2021 as part of the review of the annual community report.

Regulation 19DA of the Local Government (Administration) Regulations 1996 states the following:

**19DA. Corporate business plans, requirements for (Act s. 5.56)**

- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) *A corporate business plan for a district is to —*
  - (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
  - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
  - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*
- (4) *A local government is to review the current corporate business plan for its district every year.*

**Findings**

Whilst the Council 'ensures' the corporate business plan is still relevant as part of the budgeting process and as part of the review of the community annual report process, it is considered more compliant if the corporate business plan is reviewed each year by Council as a separate item to ensure its relevance and appropriateness. It is also considered more compliant if the annual review of the corporate business plan includes matters relating to asset management, workforce planning and long term financial planning as specified in 19 DA(3)( c) above.

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****Improvement Actions**

The CEO has indicated that the City's corporate business plan is set at a high strategic level and the Executive Leadership Team continues to ensure its relevance. Nevertheless the CEO has agreed that the current process can be further enhanced and the corporate business plan including matters relating to asset management, workforce planning and long term financial planning will be reviewed by Council as a separate item every year going forward. This review of corporate business plan by Council will be incorporated in Council calendar and such review will be included in Minutes.

**4. Opportunity for Improvement****Optional Questions Section**

Question 5 – “Did the CEO publish information on the local government's website in accordance with section 5.96A (1), (2), (3), and (4)?”

Answer - Yes

**5.96A. Information published on official website**

- (1) The CEO must publish the following information on the local government's official website, unless it would be contrary to subsection (2) to do so —
  - (a) a map of the district showing the district boundaries and, if the district is divided into wards, the ward boundaries;

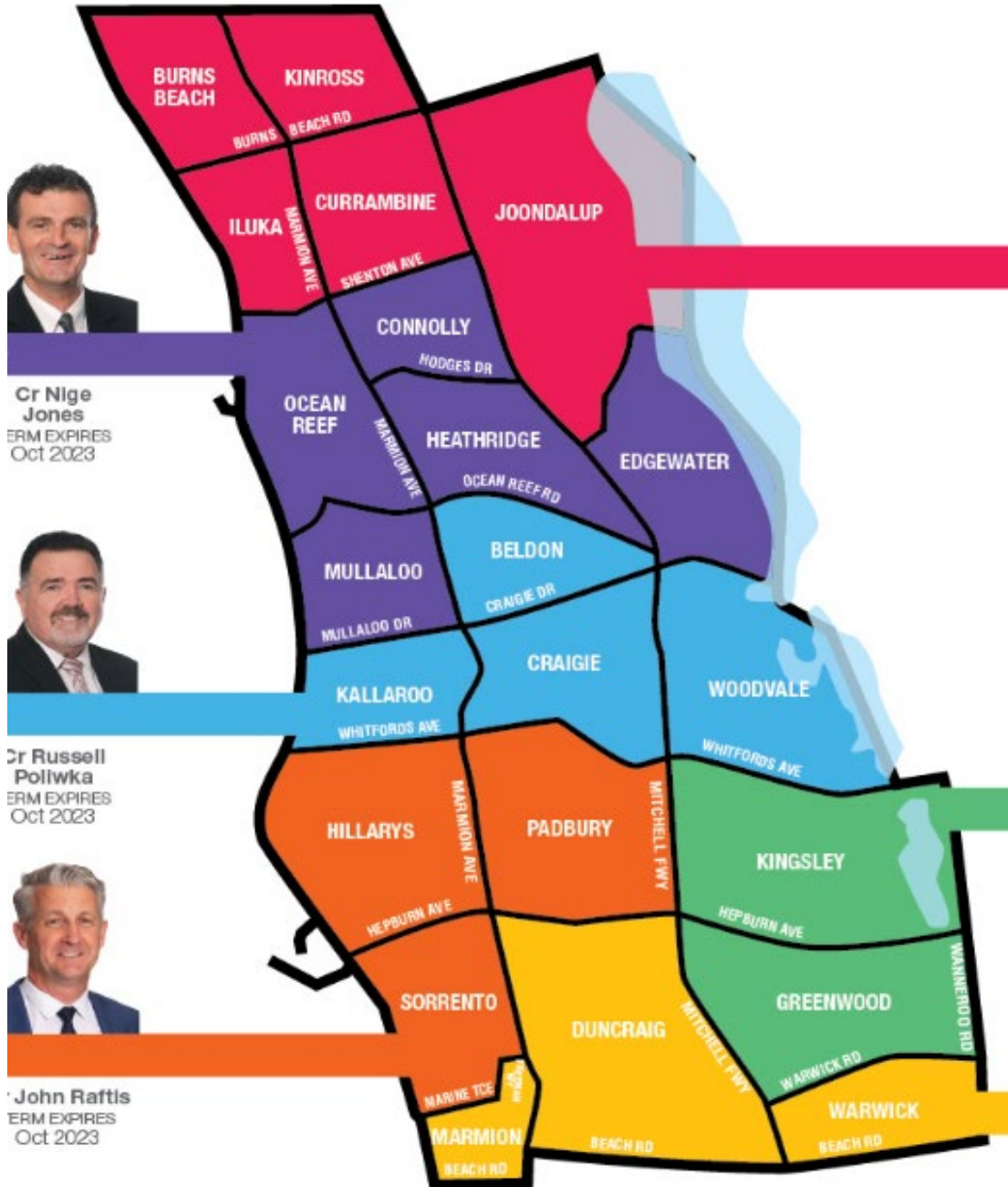
LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)

City of Melville - ward map on website



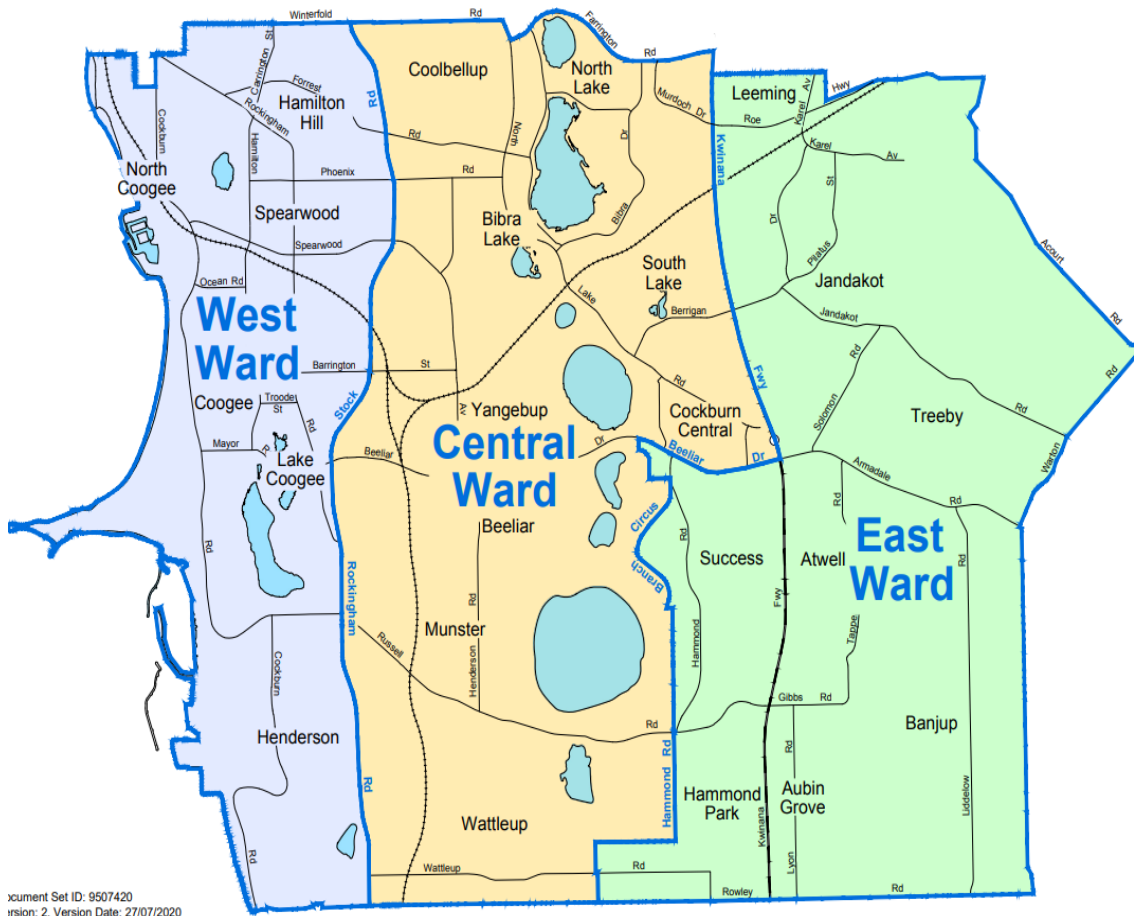
LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)

City of Joondalup – ward map on website



LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)

City of Cockburn – ward map on website



Document Set ID: 9507420  
 Version: 2, Version Date: 27/07/2020

**Findings**

Whilst the map shows district / ward boundaries, it will be more compliant if street names of the boundaries are shown.

**Improvement Actions:**

The street names of the boundaries are in the process of being added to the City’s ward maps and will be uploaded onto the website as soon as it is available.

End of report.

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)**

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

No external consultation has been carried out.

**II. OTHER AGENCIES / CONSULTANTS**

No external consultation with any other agencies has been carried out.

**STATUTORY AND LEGAL IMPLICATIONS**

As per the requirements of the *Local Government Act 1995*, Section 7.13(1) (i) and the *Local Government (Audit) Regulations 1996* (Regulations 13–15).

**FINANCIAL IMPLICATIONS**

There are no financial implications for the Council associated with this compliance audit.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The compliance audit will not impact on the strategies of the Council. There is no risk or environmental management implications in this report.

<b>Risk Statement &amp; Consequence</b>	<b>Level of Risk</b>	<b>Risk Treatment</b>
The Compliance Audit Return is a statutory requirement and if the Return was not submitted, the Department of Local Government might take adverse action on the City.	Minor consequences which are possible, resulting in a <b>Medium</b> level of risk	Complete and submit the Return by the due date.

**POLICY IMPLICATIONS**

There are no specific policy implications, except where it can be determined that a matter may be subject to policy change where it does not currently comply with legislative requirements.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The completion and submission of the Return by the due date is a statutory requirement.

---

**LATE ITEM M22/5901 – COMPLIANCE AUDIT RETURN 2021 (REC) (ATTACHMENT)****CONCLUSION**

The City has demonstrated compliance to 98% of the questions provided by the Department of Local Government Sports and Industries for the 2021 Compliance Audit Return. Responses have been examined by the Process Improvement Auditor who has undertaken a check for correctness on the answers to all the questions, with Improvement Actions identified on two Non Compliances and two Opportunities for Improvement.

**COMMITTEE RECOMMENDATION AND COUNCIL RESOLUTION (5901)****APPROVAL**

**That the Council endorses the Compliance Audit Return for the period 1 January 2021 to 31 December 2021 [5901 Compliance Audit Return 2021](#) and following certification by His Worship the Mayor and the Chief Executive Officer, the Compliance Audit Return 2021 be forwarded to the Department of Local Government, Sport and Cultural Industries.**