



Agenda

Audit and Risk Management Committee

Monday 15 September 2025 6:00 pm



Notice of an Audit and Risk Management Committee

Elected Members

An Audit and Risk Management Committee of the City of Fremantle will be held on **Monday 15 September 2025** in the Seminar Room (Wetj Room) at the Walyalup Civic Centre, located at 151 High Street, Fremantle commencing at 6:00 pm.

This meeting is closed to the public.

A handwritten signature in blue ink, appearing to read "Melody Foster".

Melody Foster
A/Director City Business

10 September 2025



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Official opening, welcome and acknowledgement

Ngala kaaditj Whadjuk moort keyen kaadak nidja Walyalup boodja wer djinang Whadjuk kaaditjin wer nyiting boola yeye.

We acknowledge the Whadjuk people as the traditional owners of the greater Fremantle/Walyalup area and we recognise that their cultural and heritage beliefs are still important today.

Attendance, apologies and leave of absence

Attendance

Apologies

There are no previously received apologies.

Leave of absence

There are no previously received leave of absence.

Disclosures of interest by members

Elected members must disclose any interests that may affect their decision-making. They may do this in a written notice given to the CEO or at the meeting.

Deputations

A deputation may be made to the meeting in accordance with the City of Fremantle Meeting Procedures Policy.

Presentations

Elected members and members of the public may make presentations to the meeting in accordance with the City of Fremantle Meeting Procedures Policy.



Confirmation of minutes

OFFICER'S RECOMMENDATION

The Audit and Risk Management Committee confirm the minutes of the Audit and Risk Management Committee meeting dated 16 June 2025.

Elected member communication

Elected members may ask questions or make personal explanations on matters not included on the agenda.



Reports and recommendations from officers

Governance and Compliance

ARMC2509-1 AUDIT ACTIONS UPDATE - AUGUST 2025

Meeting date:	15 September 2025
Responsible officer:	Director City Business
Voting requirements:	Simple Majority Required
Attachments:	1. CONFIDENTIAL - Audit Action Register

SUMMARY

This report provides an update on the status of actions arising from annual audits carried out in line with statutory requirements.

The report requests the Audit and Risk Management Committee receive and note the current list of audit actions and status associated with each.

BACKGROUND

Currently the City of Fremantle participates in or undertakes the following audits as required under the *Local Government Act 1995*:

- Audit of annual financial statements
- Audit of General computer controls and information systems
- Audit of Financial management (Regulation 5)
- Audit of general systems, procedures and controls (Regulation 17)

The Financial Audit and General Computer Controls Audit are carried out by the Office of the Auditor General (OAG) and assess both financial and information technology related compliance and controls.

The Regulation 5 and Regulation 17 audits are carried out by external auditors engaged by the City.

The OAG also carries out Performance audits from time to time on topics selected by the Auditor General. These audits assess the efficiency and effectiveness of entity activities, services and programs.



Each audit results in a series of recommendations being made by the auditor, which the City reviews, tracks and actions accordingly. Recommendations are rated based on risk and severity and the city prioritises any remediation required on that basis.

The audit register, as provided in confidential attachment 1, provides information regarding the status of each action and progress associated with each.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

The City considers and actions audit recommendations in line with its requirements under the *Local Government Act 1995*.

If the Auditor General or a local government's appointed auditor reports a significant matter in an audit report, section 7.12A of the *Local Government Act 1995* (the Act) requires a response from the local government.

The requirements of this response are:

1. Upon receipt of the auditor's report, the local government must prepare a report for its Audit Committee to address the significant matters raised and outline what action(s) the local government has taken or intends to take in respect of each of the matters raised.
2. The Audit Committee minutes and the report to the Minister are referred to Council for proper review and endorsement of any proposed actions.
3. Within 3 months of receipt of the auditor's report, a copy of the Council-endorsed report must be provided to the Minister.
4. Within 14 days of providing a copy of the report to the Minister, a copy must be published on the local government's website.

STRATEGIC IMPLICATIONS

This is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:



Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'

- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

CONSULTATION

Audit recommendations are implemented and actioned in consultation with auditors to ensure accurate interpretation and understanding of audit recommendations.

OFFICER COMMENT

The audit action register has been developed as part of the continuous improvement of the City's management and reporting of audit activities and findings.

The audit action register provides a summary report of all the current open audit findings, recommendations, and progress comments from the various audit activities.

Noting that full audit reports are presented to the Audit and Risk Management Committee upon completion of each audit, the register provides an ongoing summary update on status and includes the following information:

- The core finding identified by the relevant audit.
- The associated risk rating as identified by the auditor.
- The auditor's core recommended actions.
- The officer responsible for implementing the action.
- Indications of which audits resulted in the core finding, whether it be the OAG financial, performance or IT audits, Regulation 5 or 17.
- Comments on progress made, and current status of action being taken by the City.
- Estimated completion date and actual completion date for the items that have been resolved.

In June 2025, 18 outstanding items were reported on the audit register to the Audit and Risk Management Committee. Since then, three items have been completed, leaving ten items currently outstanding. Majority of these are on track to be addressed and closed out prior to the end of 2025.



Of the 10 outstanding items:

- Six relate to the OAG GCC (IT) Audit, with four of those findings being assessed as moderate and two other being assessed as minor.
- One relates to the Reg 17 audit and is assessed as moderate.
- Three relate to the OAG Performance Audit for the management of purchasing cards with one finding being significant, four being moderate and one being minor.

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive and note the updated Audit Actions Register as provided in confidential attachment 1.



ARMC2509-2 EMERGING ISSUES REPORT - JUNE TO AUGUST 2025

Meeting date:	15 September 2025
Responsible officer:	Manager Governance
Voting requirements:	Simple Majority Required
Attachments:	1. CONFIDENTIAL - Emerging Issues Summary Report August 2025

SUMMARY

This report highlights the relevant issues which are either current or emerging and may significantly affect the operation, financial, legal, or reputational operation of the City.

These matters are raised to inform the committee of any significant issues identified by officers and allow for any further feedback or questions on the actions currently being taken or under consideration to address and resolve them.

BACKGROUND

Part of the role of the Audit and Risk Management Committee is to be aware of any significant financial, political, and corporate issues being identified by the organisation and to understand, review or advise on the possible actions to address these.

FINANCIAL IMPLICATIONS

Some of the issues and potential mitigation actions outlined in this report may include financial implications for the City. Order of magnitude estimates of financial implications based on information available at the time of the report is included in the issues table attached.

LEGAL IMPLICATIONS

The City actively seeks legal advice and support where issues and risks identified have potential legal implications.

STRATEGIC IMPLICATIONS

This is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:



Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'

- Enable the City to maintain legislative compliance and accountability for organisational decision making.
- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

CONSULTATION

Nil.

OFFICER COMMENT

The table provided in confidential attachment 1 identifies the current or emerging issues which are considered significant by the organisation. Some are in action, and some are under review by the organisation and will continue to be updated to the Audit and Risk Management Committee over time.

In conjunction with the organisation's Risk Management Framework, the City's issues log will provide a consistent and effective means of tracking, managing, and resolving significant issues.

The City's emerging issues log is populated and maintained by officers. This document is maintained live in the City's corporate document management system and is reviewed and discussed by the Executive Leadership Team as a standing agenda item monthly.

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive the Emerging Issues report for June to August 2025 as detailed in confidential attachment 1.



Finance

ARMC2509-3 PROCUREMENT POLICY EXEMPTIONS JUNE TO AUGUST 2025

Meeting date: 15 September 2025
Responsible officer: Director City Business
Voting requirements: Simple Majority Required
Attachments: 1. Procurement Policy Exemptions June - August 2025

SUMMARY

The purpose of this report is to inform Council of purchases made by the City that were exempted from the requirements of the Procurement Policy, during the period June to August 2025.

This report recommends that Council receive the Procurement Policy Exemptions report for June to August 2025.

BACKGROUND

The City's Procurement Policy outlines the requirements and decision-making process for each Policy threshold. The Policy also contains a list of tender exemptions (exempt under Regulation 11(2) of the *Local Government (Functions and General) Regulations 1996*) and other Policy exemptions.

The City's Purchasing Policy was amended in August 2025, with Council adopting the new Procurement Policy (C2508-22). The updated procurement policy reflects the consideration of best practice procurement principles, the City's obligations under the *Local Government Act 1995*, and independent advice sought from procurement professionals. It also recognises and responds to the City's ongoing work to develop and maintain efficient, responsive and thorough business processes that improve City response times, supplier experience and ensure compliance.

Under this policy all exemptions applied by the City are to be reported to the Audit and Risk Management Committee.

FINANCIAL IMPLICATIONS

Nil.



LEGAL IMPLICATIONS

Nil.

STRATEGIC IMPLICATIONS

This is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'

- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

CONSULTATION

Nil.

OFFICER COMMENT

June 2025

The total value of spending exempt from the City of Fremantle Procurement Policy was **\$13,030.000** for the month of June 2025.

The value of exemptions by category is:

Exemption Category	Value
Procurement Policy Exemption	\$13,030.00
Request for Artist	\$0.00
Sole Source of Supply	\$0.00
Total	\$13,030.00

Details regarding individual exemptions can be found in Attachment 1.

July 2025

The total value of spending exempt from the City of Fremantle Procurement Policy was **\$160,102.20** for the month of July 2025.

The value of exemptions by category is:



Exemption Category	Value
Procurement Policy Exemption	\$90,102.20
Request for Artist	\$0.00
Sole Source of Supply	\$70,000.00
Total	160,102.20

Details regarding individual exemptions can be found in Attachment 1.

August 2025

The total value of spending exempt from the City of Fremantle Procurement Policy was **\$307,827.40** for the month of August 2025.

The value of exemptions by category is:

Exemption Category	Value
Procurement Policy Exemption	\$297,827.40
Request for Artist	\$0.00
Sole Source of Supply	\$10,000.00
Total	\$307,827.40

Details regarding individual exemptions can be found in Attachment 1.

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive the information report on Procurement Policy Exemptions for June to August 2025.



ARMC2509-4 TENDERS AWARDED UNDER DELEGATION JUNE TO AUGUST 2025

Meeting date: 15 September 2025
Responsible officer: Director City Business
Voting requirements: Simple Majority Required
Attachments: Nil

SUMMARY

The purpose of this report is to summarise tenders awarded under delegation by various delegated Officers and Committees during the period June to August 2025.

This report recommends that Council receive the report on tenders awarded under delegation between June to August 2025.

BACKGROUND

Tenders awarded by the City are awarded under the following delegations, approved at Council on 25 June 2025 (C2506-15):

Delegated Authority	Amount of Delegation
Ordinary Meeting of Council	\$1,000,000+ (if within budget)
CEO	Up to \$1,000,000
Directors	Up to \$500,000

Items identified under 'Officer Comment' of this report detail tenders awarded under delegation.

FINANCIAL IMPLICATIONS

All tenders were awarded in line with the adopted 2025-26 budget.

LEGAL IMPLICATIONS

All tenders awarded met the requirements of Regulations 11A – 24AJ of the *Local Government (Functions and General) Regulations 1996* and S3.57 of the *Local Government Act 1995*.



Under delegation 2.11 Expressions of interest and tenders, of the City’s Register of Delegated Authority 2025-26, the Chief Executive Officer is required to report the use of this delegation to the Audit and Risk Management Committee.

STRATEGIC IMPLICATIONS

This is in keeping with the City of Fremantle’s Strategic Community Plan 2024 – 2034:

Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'

- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

CONSULTATION

Nil.

OFFICER COMMENT

Below is a list of tenders awarded under delegation between June to August 2025.

June 2025

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
FCC659/24 - Plumbing Services	OCM	Maxey Plumbing Pty Ltd	Up to 6 Years	\$3,000,000.00
FCC667/24 - Roofing Services	OCM	Futureproof Building Services Pty Ltd	Up to 5 Years	\$1,435,000.00
FCC674/25 - WCC Security Services	CEO	Vibrant Services Pty Ltd	Up to 5 Years	\$795,630.00

July 2025

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
FCC675/25 - Ken Allen Lighting	Director	Greenlite Electrical Contractors Pty Ltd	4 Months	\$352,445.27



August 2025

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
FCC680/25- PC Fleet Replacement	OCM	Computers Now Pty Ltd	3 Years	\$1,684,987.20
FCC688/25- Third Floor Fit Out at WCC	OCM	Swan Group WA Pty Ltd	2 Months	\$1,086,869.00
WFCC128/25 - Parmelia Parks Upgrade	Director	Phase3 Landscape Construction	4 Months	\$485,602.28
WFCC130/25 - CCTV Maintenance and Replacement	CEO	Zenien Pty Ltd	Up to 5 Years	\$775,000.00

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council received the information report on Tenders Awarded under Delegation for June to August 2025.



AMRC2509-5 OVERDUE DEBTORS REPORT AS AT 31 AUGUST 2025

Meeting date:	15 September 2025
Responsible officer:	Manager Financial Services
Voting requirements:	Simple Majority Required
Attachments:	1. CONFIDENTIAL - Summary of Outstanding Debtors as at 31 August 2025

SUMMARY

This Overdue Debtors Report, with confidential attachment, is provided to the Audit and Risk Management Committee to report details of overdue debts, as at 31 August 2025, and identify those where the amount owing is over 90 days with a total debt exceeding \$10,000.

This report recommends that Council receive the Overdue Debtors Report and acknowledge the overdue debts exceeding 90 days that have a combined value greater than \$10,000 as at 31 August 2025.

BACKGROUND

This report provides the Audit and Risk Management Committee the following information in relation to overdue debtors:

- The amount of total debt outstanding for the period aged from current to over 90 days overdue with a comparison to the same period for the previous year.
- All records of the uses of delegated authority, to waive or write off debts valued at \$1,000 or above.
- A confidential report containing the individual debtor information in relation to the outstanding debts exceeding 90 days with a combined value of debt, by debtor, exceeding \$10,000.
- The Debtor Day Ratio, being the average number of days taken for the City to receive payment from its customers for invoices issued to them.

FINANCIAL IMPLICATIONS

It is a requirement that annual financial statements include an allowance for impairment of receivables owed to the local government to be recognised as a cost to the budget in the year in which the impairment is made.

As at the year ending 30 June 2025, an amount of \$89,562 is held as an allowance for impairment of sundry receivables. There was a total of \$136,677 of waivers or debts written off for the 2024/25 financial year.



LEGAL IMPLICATIONS

Section 6.12 (1) (c) of the *Local Government Act 1995* provides authority for the Council to write off outstanding monies.

In accordance with section 5.42 and 5.44 of the *Local Government Act 1995* the following delegated authority applies:

- The Chief Executive Officer has delegated authority to write off debts (not including rates or infringement) considered unrecoverable up to \$50,000 per account where, in the opinion of the Chief Executive Officer, all other reasonable avenues of recovery have been exhausted.
- Directors and Managers have various sub-delegated authority to write off debts (not including rates or infringement) considered unrecoverable up to \$20,000 per account where, in the opinion of the Director or Manager, all other reasonable avenues of recovery have been exhausted.

All records of the uses of this delegated authority, to waive or write off debts valued at \$1,000 or above, per debtor, must be reported to the Audit and Risk Management Committee.

Any amount more than \$50,000 is to be written off by Council resolution. A Council resolution authorising the write-off of any bad debt does not prevent Council from reinstating the debt if the future circumstances change and the debt becomes collectable.

STRATEGIC IMPLICATIONS

This is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'

- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

CONSULTATION

Nil.

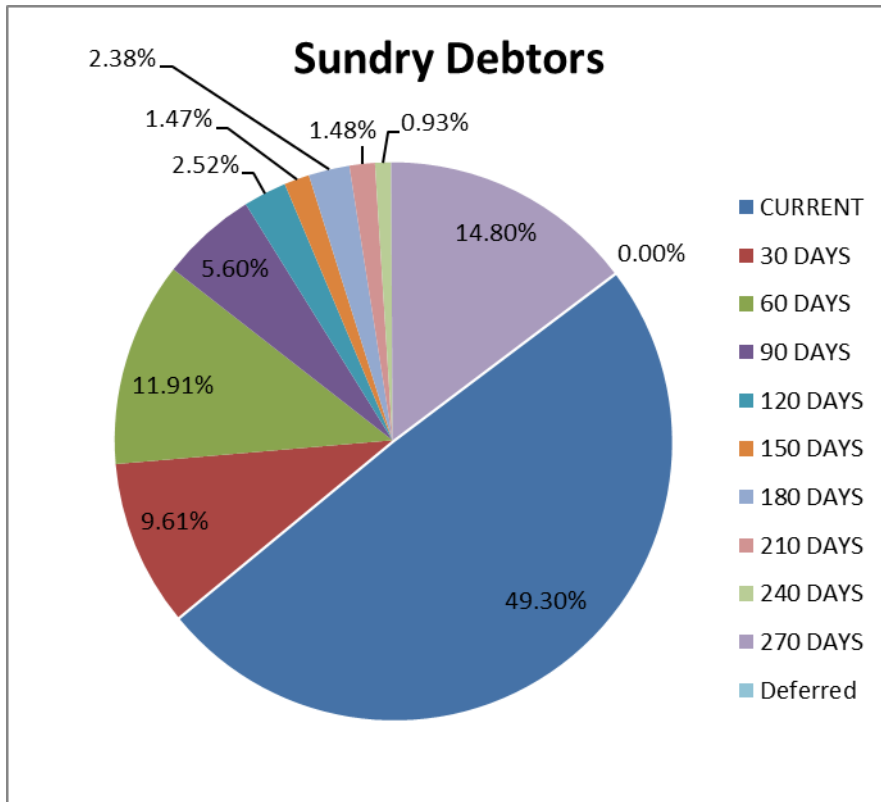


OFFICER COMMENT

The total of debts outstanding as at 31 August 2025 was \$544,190. A breakdown of aged debt for the current period compared to prior year is tabled below.

Period Ending August 2025	Current	30 Days	60 Days	90+ Days	Total
June 25 - Aug 25	49%	10%	12%	29%	100%
	268,278	52,304	64,813	158,795	544,190
Jun 25 - Aug 25 Excl. Commercial Properties	41%	11%	30%	18%	100%
	73,038	20,500	53,201	33,237	179,977
Jun 24 - Aug 24	336,029	25,132	53,455	293,101	707,717

The graph below shows the aged debt balances as at 31 August 2025:



Compared to the report of overdue debtors as at 31 May 2025, which was presented to Audit and Risk Management Committee meeting on 16 June 2025, the total value of outstanding debts has decreased from \$746,129 to \$544,190.

Total outstanding debt over 90 days has increased from \$119,965 at the end of the previous reporting date to \$158,795.



The number of overdue debtors over 90 days, and above the total debt reporting threshold of \$10,000 has decreased to three.

Of the three reported, one debtor has increased and the other two debtors has had the debts reduced.

The three debtors have a total debt owing of \$104,478 of which \$88,772 is over 90 days. The confidential attachment contains details of the debtors comprising this balance.

Key Performance Indicators

When determining status or risk associated with outstanding debtors, officers typically consider and assess the following metrics:

- Total amount of outstanding debt
- Age of outstanding debt (and value of that debt)
- Frequency of payment of outstanding debt
- Outstanding debt per individual debtor
- Outstanding debt per type of debtor

Officers consider all of these metrics alongside each other as well as the debtor day ratio to assist in providing an overarching assessment of general performance of outstanding debtors. The debtor day ratio measures how quickly cash is being collected from debtors regardless of the level of total outstanding amount of debt or the type of debt, allowing for a consistent metric that will identify periods where debtors are taking longer to pay down outstanding debt.

A number of metrics have been provided to follow that provide an initial snapshot of performance and or status of outstanding debtors to follow.

Debtor Day Ratio

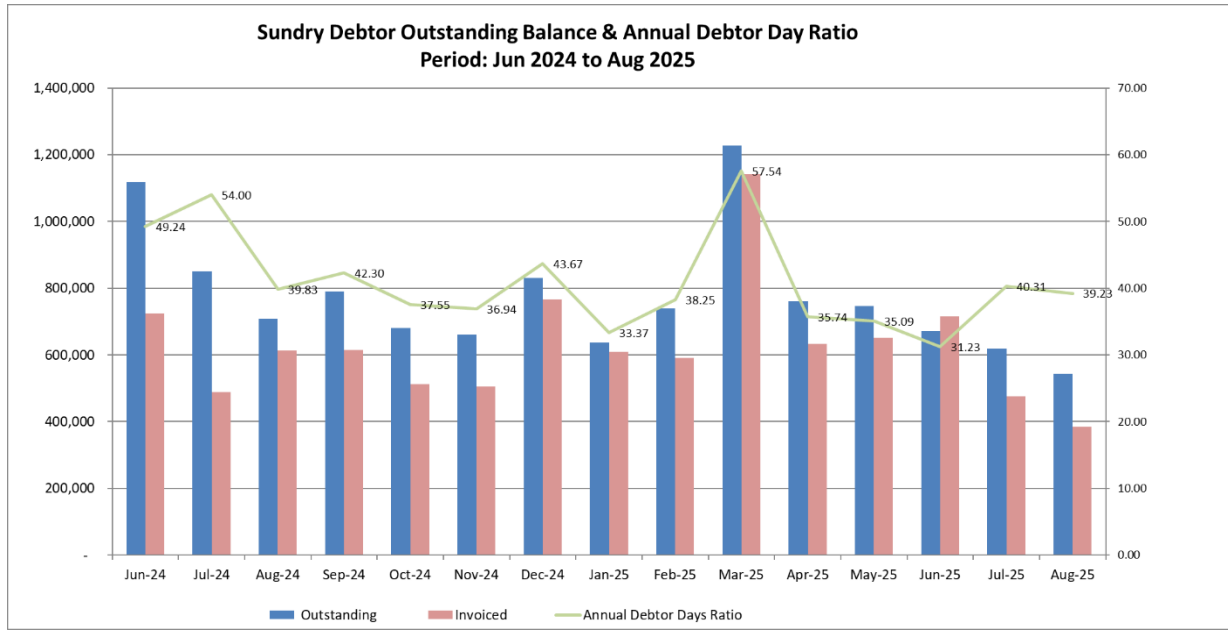
The Debtor Day Ratio measures how quickly cash is being collected from debtors. The longer it takes for an organisation to collect, the greater the number of debtor days.

The calculation of the ratio considers the total amount outstanding at the end of the period divided by the total amount invoiced to that period for the financial year. This is then multiplied by the total number of days from 1 July to the end of the period. See calculation in the graph to follow.

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The chart to follow indicates the debtor days over the last 12 months. Debtor days have steadily decreased over the past 12 months, with a ratio of 39.23 being reported for August 2025.

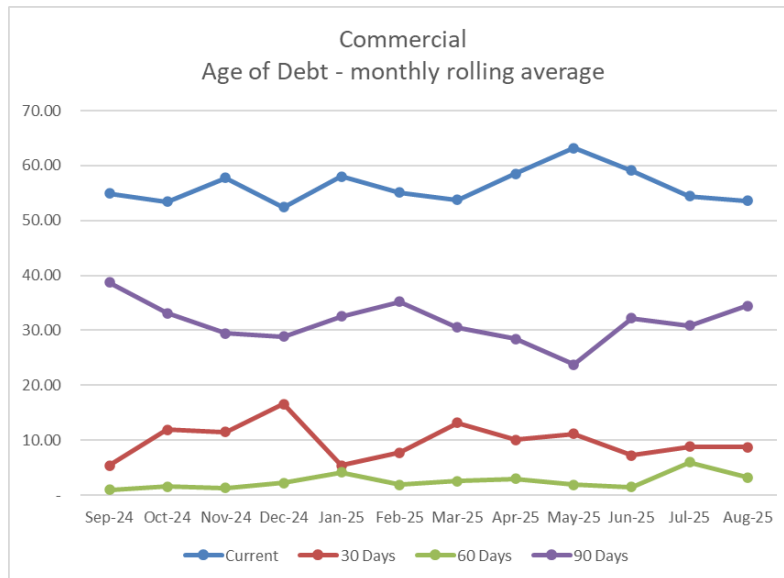


Age of Debt

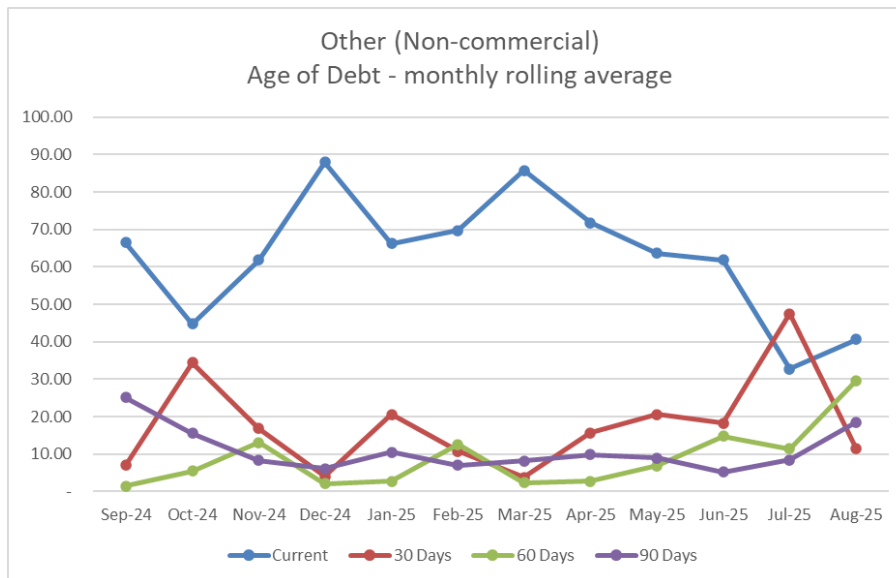
The rolling 12-month Average for debt in each age category is shown in the graphs to follow for Commercial and Other (non-commercial) debt. These graphs show the 12-month average as at each point in time, to provide a view of the trend of the City’s aged debt portfolio.

As per the monthly rolling average chart for commercial, the portion of debt that is current was 36% as at August 2025. The portion of debt that is over 90 days has slightly increased since the last reporting period. The portion of debt in the 30-59 days and 60-89 days remained at the lower end.

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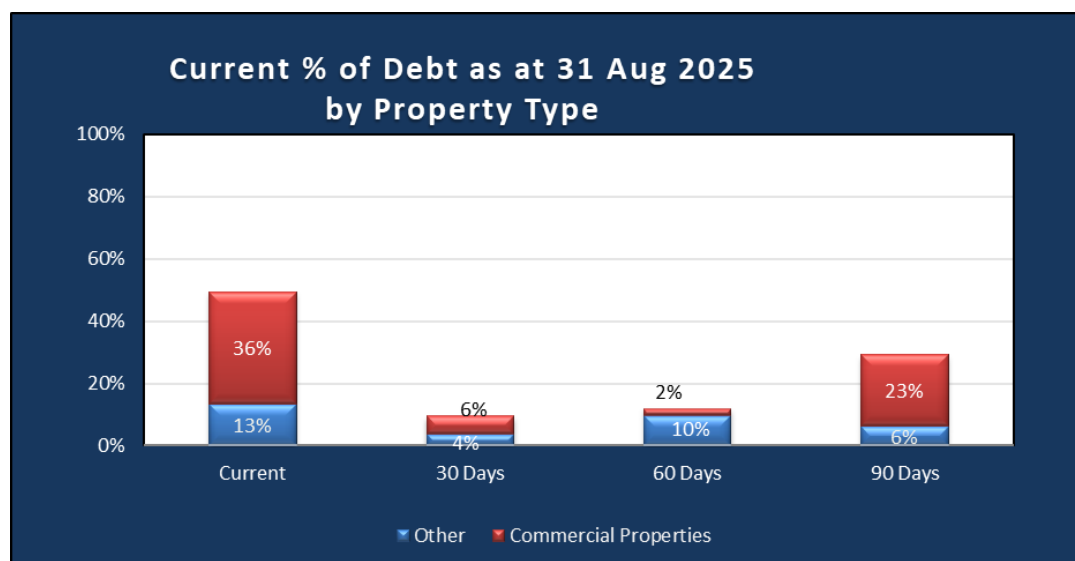


For other (non-commercial) debt, current debt has reduced from 33% to 13% since the last reporting period. All other categories remain much lower than the current trend line. This indicates a high proportion of debts being collected in a timely manner.



The Current Value of Debt by Age category is shown in the graph to follow, split between Commercial Properties and Other (Non-Commercial) Property Types. Of the total debt, Non-Commercial Properties account for 13% of Current debt, and account for 6% of the debt owing 90 days or more.

City officers continue to liaise with all commercial tenants to provide assistance, including payment arrangements where appropriate.



Delegation 2.3 - Defer payment, grant a concession, waive fees and write off of Debts

During the reported period there were two waiver/write offs.

1. Victoria Hall hire for 8 days by Performing Lines WA, totalling \$1,720.
2. Victoria Hall hire for two months by Tara Del Borrello, Sol Music Therapy, during maintenance of the front room, totalling \$880.

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive the Overdue Debtors Report as at 31 August 2025, and the confidential attachment listing overdue debts exceeding 90 days with the combined value, by debtor, exceeding \$10,000 as at 31 August 2025.



ARMC2509-6 INFORMATION REPORT – DRAFT ANNUAL FINANCIAL STATEMENTS 30 JUNE 2025

Meeting date: 15 September 2025
Responsible officer: Director City Business
Voting requirements: Simple Majority Required
Attachments: 1. Draft Annual Financial Statements 2024-25

SUMMARY

The Draft Annual Financial Statements for the year ending 30 June 2025 will be submitted to the Audit Firm appointed by the Office of the Auditor General, Grant Thornton, prior to the deadline of 30 September 2025. Thus, achieving compliance with Section 6.4 of the *Local Government Act 1995*.

The audit of the Annual Financial Statements will be undertaken by Grant Thornton, on behalf of the Office of the Auditor General (OAG), starting on 6 October 2025.

It is currently anticipated that the audit will be completed by the OAG and the Annual Financial Statements 2024-25 will be presented to Council for acceptance in December 2025.

This report recommends Council receive the City of Fremantle’s draft 2024-25 Annual Financial Statements for information and note they are still in draft and subject to further minor adjustments prior to being submitted to the Auditor, including:

- **Rounding corrections**
- **Adjustment to the share of net profit of associates accounted for using the equity method and Note 22 – Investment in Associates when the City receives the audited financial statements from the SMRC**

BACKGROUND

The City is to provide a draft copy of the Annual Financial Statements for the financial year to the auditors before the 30th of September of that year as required under the relevant provisions of the Local Government Act 1995 (the Act).

The audit of the Financial Statements will be performed by Grant Thornton



on behalf of the OAG from 6 October 2025.

In accordance with section 7.12A(2) of the Act and the *Local Government (Audit) Regulations 1997*, Council is required to meet with the External Auditor at least once per year. Once the final audit for the Annual Financial Statements for the year ending 30 June 2025 is completed, an Exit meeting will be scheduled. At this stage it is anticipated the City will be able to finalise the audit and exit meetings prior to the 31 December 2025. Thus, in compliance with section 5.54 of the *Local Government Act 1995*.

FINANCIAL IMPLICATIONS

For the year ending 30 June 2025, the unaudited closing balance as per the Financial Activity Statement (cash position) is a surplus of \$9,493,187.

In accordance with the regulatory framework, the fair value of land, buildings, infrastructure, and investment properties is assessed at least once every five years. The 2024–25 Draft Annual Financial Statements do not include the results of any revaluations, as the most recent infrastructure revaluation was completed in the 2022–23 financial year, and the revaluation of land and buildings was undertaken in the 2023–24 financial year. The total asset value the City holds has reduced from \$748M to \$741M.

The final audit of the draft Annual Financial Statements will commence on 6 October 2025. The audit findings and all relevant assessments undertaken will be subsequently communicated to the City and then to Council. The following table provides a high-level draft and unaudited summary of Council’s financial performance for year ending 30 June 2025.

Description	Draft Actual 2024-25 \$M	Adopted Budget 2024-25 \$M	Variance (Actual to Budget) \$M
Opening Surplus	11.57	8.92	2.65
Operating			
Rate Revenue	63.17	63.52	(0.35)
Revenue	39.42	33.19	6.23
Expenses	(111.64)	(110.94)	(0.70)
Non-Cash Adjustments	20.74	22.37	(1.63)
	11.69	8.14	3.55
Investing			
Capital Revenue	2.84	9.32	(6.48)
Capital Expenses	(12.26)	(19.17)	6.91
Non-Cash Adjustments	(0.02)	(4.00)	3.98



	(9.42)	(13.86)	4.44
Financing			
Repayment Loans & Leases	(1.75)	(2.27)	0.52
Reserve Transfers	(2.59)	(0.88)	(1.71)
	(4.35)	(3.15)	(1.20)
Closing Surplus	9.49	0.06	9.43

LEGAL IMPLICATIONS

Section 6.4 of the *Local Government Act 1995* states that,

6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
 - (b) the annual financial report of the local government for the preceding financial year.

Section 5.54 of the *Local Government Act 1995* states that,

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* Absolute majority required.

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

STRATEGIC IMPLICATIONS

This is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'



- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

CONSULTATION

No consultation is required for review of the Financial Statements at this time, they will be reviewed by Grant Thornton on behalf of the OAG.

OFFICER COMMENT

The attached draft Annual Financial Statements are subject to further minor adjustments prior to being submitted to the Auditor, including:

- Rounding corrections
- Adjustment to the share of net profit of associates accounted for using the equity method and Note 22 – Investment in Associates when the City receives the audited financial statements from the SMRC

The City will submit its draft Annual Financial Statements for the year ended 30 June 2025 to the Auditor prior to 30 September as per the requirements of the *Local Government Act 1995*. The formal audit of the statements will occur from 6 October 2025 and is expected to conclude by the end of November 2025, subject to final consideration by the Auditor General.

Once concluded the statements will be provided as part of the 2024-25 Annual Report and presented to Council for adoption and setting of the Annual Electors Meeting.

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive the City's draft Annual Financial Statements, as provided in Attachment 1 for the financial year ending 30 June 2025, and note:

- The Annual Financial Statements are still in draft and subject to further minor adjustments prior to being submitted to the Auditor; and**
- Once finalised the draft Annual Financial Statements will be forwarded to the City's auditor Grant Thornton prior to 30 September 2025, in accordance with section 6.4 of the *Local Government Act 1995*.**



Health, Safety and Environment

Nil.

Legal, Reputation and Brand

Nil.

Motion of which previous notice has been given

A member may raise at a meeting such business of the City as they consider appropriate, in the form of a motion of which notice has been given to the CEO in accordance with the Meeting Procedures Policy.

Nil.

Urgent business

In cases of extreme urgency or other special circumstances, matters may, on a motion that is carried by the meeting, be raised without notice and decided by the meeting.

Late items

In cases where information is received after the finalisation of an agenda, matters may be raised and decided by the meeting. A written report will be provided for late items.

Confidential business

Nil.

Closure