**AGENDA**

**Audit & Risk Committee Meeting**

**Monday, 20 May 2024**

**Notice of Meeting**

**To Mayor & Councillors**

A Meeting of the Audit & Risk Committee of the City of Nedlands is to be held on Monday, 20 May 2024 in the Council chambers at 71 Stirling Highway Nedlands commencing at 5.30pm.

This meeting will be livestreamed - [Livestreaming Council & Committee Meetings » City of Nedlands](https://www.nedlands.wa.gov.au/council/council-meetings/livestreaming-council-committee-meetings.aspx)

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**Keri Shannon | Chief Executive Officer**

**16 May 2024**

**Information**

Audit & Risk Committee Meetings are run in accordance with the City of Nedlands Standing Orders Local Law. If you have any questions in relation to items on the agenda, procedural matters, public question time, addressing the Committee or attending meetings please contact the Governance Officer on 9273 3500.

**Public Question Time**

Public question time at an Audit & Risk Committee Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Council Member, Committee Member or Employee.

Questions should be submitted as early as possible via the online form available on the City’s website: [Public question time | City of Nedlands](https://www.nedlands.wa.gov.au/public-question-time)

Questions may be taken on notice to allow adequate time to prepare a response and all answers will be published in the minutes of the meeting.

**Addresses by Members of the Public**

Members of the public wishing to address Council in relation to an item on the agenda must complete the online registration form available on the City’s website: [Public Address Registration Form | City of Nedlands](https://www.nedlands.wa.gov.au/public-address-registration-form)

The Presiding Member will determine the order of speakers to address the Council and the number of speakers is to be limited to 2 in support and 2 against any item on an Audit and Risk Committee Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

**Disclaimer**

Members of the public who attend Audit and Risk Committee Meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council’s position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to acting on any matter that they may have before Council.

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# Declaration of Opening

In Accordance with section 5.12 and schedule 2.3 division 1 of the Local Government Act 1995 the Chief Executive Officer declared the meeting open at 5.30pm and will drew attention to the disclaimer on page 2 and advised that the meeting is being livestreamed and recorded.

# Appointment of Chair

Keri Shannon Chief Executive Officer will call for nominations for the Chair.

Each candidate will be given 3 minutes to present to the Committee as to why they should be voted as Chair.

Each nominee will be asked to answer the following questions:

1. Which university degree/s have you completed?
2. What is your governance experience?
3. What is your experience in financial dealings, financial statements, auditing exposure and supervising financial teams?

A secret ballot will be conducted and counted by the Returning Officer Chief Executive Officer Keri Shannon.

# Present and Apologies and Leave of Absence (Previously Approved)

**Leave of Absence** Cr L McManus

**(Previously Approved)**

**Apologies** None as at distribution of this agenda.

# Public Question Time

Public questions submitted to be read at this point.

# Address by Members of the Public

Addresses by members of the public who have completed Public Address Registration Forms to be made at this point.

# Disclosures of Financial Interest

The Presiding Member will remind Council Members and Staff of the requirements of Section 5.65 of the Local Government Act to disclose any interest during the meeting when the matter is discussed.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

# Disclosures of Interest Affecting Impartiality

The Presiding Member reminded Council Members and Staff of the requirements of Council’s Code of Conduct in accordance with Section 5.103 of the Local Government Act.

Council Members and staff are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

"With regard to the matter in item x ….. I disclose that I have an association with the applicant (or person seeking a decision). This association is ….. (nature of the interest).

Consequently, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

The member or employee is encouraged to disclose the nature of the association.

# Declaration by Members That They Have Not Given Due Consideration to Papers

Members who have not read the business papers to make declarations at this point.

# Confirmation of Minutes

## Audit & Risk Committee Meeting Minutes – 22 April 2024

The Minutes of the Audit & Risk Committee Meeting 22 April 2024 are to be accepted as a true and correct record of that meeting.

# Items for Discussion

## ARC09.05.24 – Update from Moore Australia

|  |  |
| --- | --- |
| **Meeting & Date** | Audit Risk Committee Meeting – 20 May 2024 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 Local Government Act 1995** | Nil. |
| **Report Author** | Michael Cole - Director Corporate Services |
| **CEO** | Keri Shannon |
| **Attachments** | 1. Moore Australia Agenda Paper - ARC Meeting 20 May 2024 |

**Purpose**

This report is for Moore Australia to present its agenda paper to the Audit and Risk Committee.

**Recommendation**

**That the Audit and Risk Committee receive the agenda paper from Moore Australia.**

**Voting Requirement**

Simple Majority.

**Background**

Moore Australia has submitted an agenda paper for the discussion at the Committee meeting.

**Consultation**

Nil.

**Strategic Implications**

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

**Vision Sustainable and responsible for a bright future**

**Pillar** **Performance**

**Outcome** 11. Effective leadership and governance

**Budget/Financial Implications**

There are no financial implications to this report.

There may be budget implications when the report’s recommendations are addressed in detail, where operational impacts are estimated and considered by the Administration, and then by Council at the appropriate time. There is no immediate budgetary implication to receiving this report.

**Decision Implications**

Should the recommendations be endorsed, administration will implement actions as outlined in report.

**Conclusion**

That Audit and Risk Committee receives the agenda paper from Moore Australia.

**Further Information**

Nil.

## ARC10.05.24 – Internal Audit Report – Delegations of Authority

|  |  |
| --- | --- |
| **Meeting & Date** | Audit and Risk Committee Meeting - 20 May 2024 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 Local Government Act 1995** | Nil. |
| **Report Author** | Michael Cole |
| **CEO** | Keri Shannon |
| **Attachments** | 1. Internal Audit Report – Delegations of Authority 5 April 2024 |

**Purpose**

The purpose of this report is to provide the findings and recommendations from the audit of the City’s Delegations of Authority.

**Recommendation**

**That Council receives the Internal Audit Report – Delegations of Authority – 5 April 2024.**

**Voting Requirement**

Simple Majority.

**Background**

Moore Australia, as the City’s appointed Internal Auditors conducted a review to assess the design, description, implementation, and operating effectiveness of the City’s Delegations of Authority.

**Discussion**

The attached report contains details of the findings and recommendations arising from the internal audit engagement.

**Consultation**

The City’s Coordinator of Governance and Risk and the Director of Corporate Services assisted the Moore Australia audit team in the conduct of this internal audit.

**Strategic Implications**

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

**Vision Sustainable and responsible for a bright future**

**Pillar** **Performance**

**Outcome** 11. Effective leadership and governance

**Budget/Financial Implications**

The annual budget includes provision to address the recommendations arising in this report.

**Legislative and Policy Implications**

*The Local Government Act 1995* empowers a local government to delegate by instrument in writing certain functions of a local government, to its CEO and allows the CEO to delegate their functions to other employees therefore it is important to assess the operating effectiveness of the City’s Delegations of Authority.

**Decision Implications**

Should the recommendations be endorsed, the administration will implement actions as outlined in the report.

**Conclusion**

The Internal Audit Delegations of Authority report findings are presented to the Audit and Risk Committee for their information.

**Further Information**

Nil.

## ARC11.05.24 – Update from Independent Consultant Report 3

|  |  |
| --- | --- |
| Meeting & Date | Audit and Risk Committee Meeting - 20 May 2024 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 Local Government Act 1995** | Nil. |
| **Report Author** | Craig Ross – Independent Consultant |
| **CEO** | Keri Shannon |
| **Attachments** | 1. Progress Report - 3 2. Report 3 Appendix |

**Purpose**

The Independent Consultant will verbally present a report to the Audit and Risk Committee.

**Recommendation**

**That the Audit and Risk Committee receives the report from the Independent Consultant.**

**Voting Requirement**

Simple Majority.

**Background**

N/A

**Discussion**

N/A

**Consultation**

Not applicable.

**Strategic Implications**

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

**Vision Sustainable and responsible for a bright future**

**Pillar** **Performance**

**Outcome** 11. Effective leadership and governance

**Budget/Financial Implications**

There are no budget or financial implications in this report.

**Legislative and Policy Implications**

Not applicable.

**Decision Implications**

The Committee will be presented with a report from Mr. Ross.

**Conclusion**

Mr Ross will present his report to the Committee.

**Further Information**

Nil.

## ARC12.05.24 – Update from Independent Consultant Report 4

|  |  |
| --- | --- |
| Meeting & Date | Audit and Risk Committee Meeting - 20 May 2024 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 Local Government Act 1995** | Nil. |
| **Report Author** | Craig Ross – Independent Consultant |
| **CEO** | Keri Shannon |
| **Attachments** | 1. Progress Report – 4 2. Report 4 Appendix |

**Purpose**

The Independent Consultant will verbally present a report to the Audit and Risk Committee.

**Recommendation**

**That the Audit and Risk Committee receives the report from the Independent Consultant.**

**Voting Requirement**

Simple Majority.

**Background**

N/A

**Discussion**

N/A

**Consultation**

Not applicable.

**Strategic Implications**

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

**Vision Sustainable and responsible for a bright future**

**Pillar** **Performance**

**Outcome** 11. Effective leadership and governance

**Budget/Financial Implications**

There are no budget or financial implications in this report.

**Legislative and Policy Implications**

Not applicable.

**Decision Implications**

The Committee will be presented with a report from Mr. Ross.

**Conclusion**

Mr Ross will present his report to the Committee.

**Further Information**

Nil.

## ARC13.05.24 – OneCouncil Project Status Report

|  |  |
| --- | --- |
| Meeting & Date | Audit and Risk Committee Meeting - 20 May 2024 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 Local Government Act 1995** | Nil. |
| **Report Author** | Emma Van der Wiele – Programs and Business Improvement Manager |
| **CEO** | Keri Shannon |
| **Attachments** | Nil. |

**Purpose**

The purpose of this report is to clearly demonstrate the Project status and current health of the OneCouncil Enterprise Resource Planning system implementation.

**Recommendation**

**That Audit & Risk Committee receives the OneCouncil Project Status Report**.

**Voting Requirement**

Simple Majority.

**Background**

At the Ordinary Council Meeting held on the 22nd of June 2021 Council resolved the following:

1. approves the supplier, TechnologyOne, to be awarded the contract for RFT 2020-21.03 – Provision City Finance System (Enterprise Resource Planning System) for the initial term of 5 years, comprising the initial 3 years with two one-year extensions, to be awarded under Local Government (Functions & General) Regulations 1996 11(2).
2. agrees to enter a contract with TechnologyOne to purchase their Enterprise Resource Planning System, called OneCouncil, with final contract subject to independent review to the satisfaction of the Chief Executive Officer; and notes:

a. The adoption of the Integrated Enterprise Resource Planning approach for implementing Information Systems; and

b. The implementation of the TechnologyOne One Council solution using the Cloud model called “Software as a Service”.

The OneCouncil implementation project has been managed as an internal project, resourced to accommodate a staged roll out of fundamental modules across the organisation. The project has been divided into three key phases which align evenly to a three-year commitment of delivery.

The City successfully implemented the modules forecast in the first phase, on time and with organisational wide support and engagement.

**Discussion**

During the recent reporting period, notable progress was achieved in advancing the OneCouncil ERP implementation project, with a particular focus on Compliance and Revenue streams. Efforts were dedicated to addressing challenges identified in phase 1 and 2 modules, leading to the decision to postpone the go-live to July/August 2025, allowing for 9 months of optimisation.

This critical decision, essential for sustained functionality amidst business complications and resource gaps, was made after careful consideration of various challenges. Despite successful project outcomes to date, we have reviewed the schedule to align with recent audit findings for finance and assets, ensuring business readiness for the integrated system's expanded functionalities.

Recent achievements include extensive work on configuring PNR (property and ratings) compliance and revenue-related processes, accompanied by comprehensive testing activities. Strategies were devised for onboarding and post-implementation support to ensure staff readiness for long-term system support. Change readiness assessments were strengthened, and a thorough review of the risk register was conducted to mitigate potential stressors on staff. Key tasks completed include gathering subject matter expert feedback, adjusting automation configurations, and overseeing PnR implementation alongside business improvement efforts.

The reassessment of the Phase 3 go-live date primarily stems from indications of change saturation across the organisation, attributed to the rapid implementation pace. This challenge is compounded by changes in resourcing, corporate knowledge retention, and workload management within a hybrid environment during system development. Business improvement for OneCouncil hinges on alignment between people, systems, and processes, necessitating a holistic approach that considers their interdependencies and interactions.

This entails continuous communication, collaboration, and coordination across different organisational functions and levels. Proper alignment enables people, systems, and processes to synergise effectively, driving organisational success and strategic objectives.

Business consultations conducted to manage the module optimisation period identified key management areas, while pain point mapping and project schedule adjustments enhanced system effectiveness. Training needs have been analysed, and configuration settings examined. Additionally, a refined improvement portfolio approach has been established for business improvement initiatives and will be actioned in the next reporting period. The modules and business areas undergoing improvements include finance, Assets Management and e-Recruitment.

In conclusion, despite challenges necessitating the postponement of go-live, concerted efforts persist to ensure a smooth transition and maximise the benefits of the OneCouncil ERP project. Continued emphasis on communication, stakeholder engagement, and readiness assessment will be pivotal in achieving project success within the revised timeline.

**Additional information:**

The information below indicates the modules related to the OneCouncil implementation and the distribution of modules across the years of active engagement.

The core functionality has been uniformly delivered across all modules, owing to the comprehensive integration of the system. Each stream has undergone a structured program of works with delineated milestones, including module commencement, configuration design, ITT, UAT, configuration and migration completion, go-live, and module closure.

**Phase 1: 2022**

* Finance Management **Completed**
* Supply Chain Management **Completed**
* Human Resources - Employee Portal **Completed**
* Payroll **Completed**
* Customer Request Management **Completed**
* ECM – Attachments **Completed**

**Phase 2: 2023**

* Business Intelligence Reporting **Completed**
* Enterprise Budgeting **Completed**
* e-Recruitment **Completed**
* Contracts Management (Carried forward to Phase 3 due to internal resourcing)
* Asset Lifecycle Management (Partial Completion due to data availability)
* DXP Meetings **Completed** (Paused due to change readiness and system functionality)
* Performance Planning Local Government (Carried forward to Phase 3 due to pending Council Plan adoption)

**Phase 3: 2024/2025**

*Revenue Stream*

* Property Management
* Names Management
* Billing Management
* Debtors Management
* Waste Management
* Enterprise Cash Receipting

*Compliance Stream*

* Planning and Development
* Licenses and Permits
* Enforcements
* Property Leases
* Policy and Compliance
* Animal Management
* Infringements
* Customer Portal

**Consultation**

This report summarises detailed consultative information which observes the accuracy of the project status and health. Consultative efforts are managed in accordance with the below Stakeholder Consultation Plans.

| **Stakeholder Consultation Plans** | **Purpose** |
| --- | --- |
| Change Management Plan | To outline the strategy and approach to managing the organisational change associated with implementing the OneCouncil project for employees, customers, and stakeholders. |
| Communication Plan | To provide an overall framework for the ongoing management, coordination, and delivery of communications to all staff across the City of Nedlands impacted by the OneCouncil project activities. |
| Stakeholder Engagement Plan | To outline the City’s approach to managing stakeholder engagement throughout the implementation of the OneCouncil solution to ensure clear direction for the delivery of stakeholder engagement actions. |

**Strategic Implications**

This item relates to the following elements from the City’s Strategic Community Plan.

**Vision** Our city will be an environmentally sensitive, beautiful, and inclusive place.

**Values** **High standard of services**

We have local services delivered to a high standard that take the needs of our diverse community into account.

**Great Governance and Civic Leadership**

We value our Council’s quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community’s assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.

**Priority Area**

* The implementation of OneCouncil is a key result area for the Chief Executive Officer.

**Budget/Financial Implications**

A provision for the continuing implementation of OneCouncil is included in the approved City of Nedlands 2023/24 Annual Budget.

**Legislative and Policy Implications**

Nil.

**Decision Implications**

The City has sufficient information to present the OneCouncil Project status report.

**Conclusion**

The Audit & Risk Committee is recommended to review the OneCouncil Project Status Report. The report outlines advancements in the ERP implementation, particularly in Compliance and Revenue streams, despite challenges. Notable achievements include configuring processes, testing, and ensuring staff readiness. Due to identified challenges, the go-live date has been postponed to July/August 2025 for optimization. The recommendation aligns with the committee's oversight role, providing insight into project progress, challenges, and mitigation strategies.

**Further Information**

Nil.

# Date of Next Meeting

The date of the next meeting of the Audit & Risk Committee Meeting is to be 5 June 2024.

# Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.