

MINUTES

Audit & Risk Committee Meeting

Monday, 20 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](#)

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](#)

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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1. 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 acknowledged the Whadjuk Nyoongar people, Traditional Custodians of the land on which we meet, and pay respect to Elders past, present and emerging. The Presiding Member drew attention to the disclaimer on page 2 and advised that the meeting was being livestreamed and recorded.

Cr Hodson and Cr Brackenridge joined the meeting online.

2. Appointment of Chair

Keri Shannon Chief Executive Officer called for nominations for the Chair.

Councillor Amiry nominated herself as a candidate for the chair and was elected unopposed as the Chair of the Audit Committee.

Councillor Amiry took the chair and made a presentation to the Committee as Chair of the Audit Committee.

Councillor Coghlan nominated herself to be the deputy of the Audit Committee and was elected unopposed as Deputy chair of the Audit Committee.



3. Present and Apologies and Leave of Absence (Previously Approved)

Councillors	Mayor F E M Argyle	
	Councillor B Brackenridge (online)	Melvista Ward
	Councillor R A Coghlan	Melvista Ward
	Councillor H Amiry (Presiding Member)	Coastal Ward
	Councillor K A Smyth	Coastal Ward
	Councillor B G Hodsdon (online) left the meeting at 5.37pm	Hollywood Ward

Staff	Ms K Shannon	Chief Executive Officer
	Mr M R Cole	Director Corporate Services
	Ms L Fitzgerald	Manager Financial Services
	Ms L J Kania	Coordinator Governance & Risk
	Ms E Bock	PA to Director Corporate Services
	Ms N Robson	Urban Planning Admin Officer

Consultant	Mr Craig Ross	Independent Consultant
	Michelle Shafizadeh	Moore Australia

Leave of Absence	Councillor L McManus	Hollywood Ward
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(Previously Approved)

Apologies

Councillor F J O Bennett	Dalkeith Ward
Councillor N R Youngman	Dalkeith Ward

In accordance with regulation 14C (2)(b) of the Local Government (Administration) Regulations 1996 Cr Brackenridge and councillor Hodsdon was granted permission to join the meeting via Teams and declared he was situated in a safe and secure location free from disruption.

4. Public Question Time

Nil.

5. Address by Members of the Public

Nil

6. Disclosures of Financial Interest

There were no disclosures of financial interest.



7. Disclosures of Interest Affecting Impartiality

There were no disclosures affecting impartiality.

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

Nil

Councillor B G Hodsdon left the meeting online at 5.37pm.

9. Confirmation of Minutes

9.1. Audit & Risk Committee Meeting Minutes – 22 April 2024

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

Moved – Councillor Smyth

Seconded – Councillor Mayor Argyle

That the Recommendation be adopted.

(Printed below for ease of reference)

CARRIED UNANIMOUSLY 5/-



10. Items for Discussion

10.1. 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

Moved – Councillor Mayor Argyle

Seconded – Councillor Smyth

Recommendation

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

CARRIED UNANIMOUSLY 5/-

Purpose

Moore Australia presented its agenda paper to the Audit Committee.

Voting Requirement

Simple Majority.



Background

Moore Australia 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.



10.2. 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

Moved – Councillor Mayor Argyle

Seconded – Councillor Smyth

Recommendation

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

CARRIED UNANIMOUSLY 5/-

Purpose

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

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.



10.3. 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

Moved – Councillor Coghlan

Seconded – Mayor Argyle

Recommendation

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

CARRIED UNANIMOUSLY 5/-

Purpose

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

Voting Requirement

Simple Majority.

Background

Nil.

Discussion

Nil.



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 budget or financial implications in this report.

Legislative and Policy Implications

Not applicable.

Decision Implications

The Committee were presented with a report from Mr. Ross.

Conclusion

Mr Ross presented his report to the Committee.

Further Information

Nil.



10.4. 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

Moved – Councillor Smyth

Seconded – Mayor Argyle

Recommendation

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

CARRIED UNANIMOUSLY 5/-

Purpose

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

Voting Requirement

Simple Majority.

Background

Nil

Discussion

Nil



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 budget or financial implications in this report.

Legislative and Policy Implications

Not applicable.

Decision Implications

The Committee was presented with a report from Mr. Ross.

Conclusion

Mr Ross will present his report to the Committee.

Further Information

Nil.



10.5. 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.

Moved – Mayor Argyle

Seconded – Councillor Amiry

Recommendation

That the Audit Committee receives the OneCouncil Project Status Report.

CARRIED UNANIMOUSLY 5/-

Purpose

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

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 Consultation Plans	Purpose
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.



11. Date of Next Meeting

The date of the next meeting of the Audit & Risk Committee Meeting was confirmed as 5 June 2024.

12. Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 7.18pm.