

AGENDA

Audit & Risk Committee Meeting

Monday, 20 November 2023

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 November 2023 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](#)



Michael Cole | Director corporate Services
17 November 2023



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 Executive 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 particular item on a Special Council 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 Council Meetings Agenda Forum 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 taking action on any matter that they may have before Council.

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1. Declaration of Opening

The Acting Chief Executive Officer will declare the meeting open at 5.30pm and will draw attention to the disclaimer on page 2 and will advise that the meeting is being livestreamed.

2. Appointment of Chair

This being the first meeting of the Audit & Risk Committee following the Local Government Elections a Chair is required to be appointed at this meeting.

Mr Free, Acting Chief Executive Officer will call for nominations for the Chair.

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

Leave of Absence (Previously Approved) None.

Apologies None as at distribution of this agenda.

4. Public Question Time

Public questions submitted to be read at this point.

5. 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.

6. Disclosures of Financial Interest

The Presiding Member to 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.

7. Disclosures of Interest Affecting Impartiality

The Presiding Member to remind 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).

As a consequence, 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.

8. 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.

9. Confirmation of Minutes

9.1. Audit & Risk Committee Meeting Minutes – date month year

The Minutes of the Audit & Risk Committee Meeting 21 August 2023 are to be accepted as a true and correct record of that meeting.



10. Items for Discussion

10.1. ARC19.11.23 - Terms of Reference

Meeting & Date	Audit and Risk Committee Meeting – 20 November 2023
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Michael Cole - Director Corporate Services
Director	Michael Cole - Director Corporate Services
Attachments	Nil.

Purpose

For the Committee to confirm the Terms of Reference.

Recommendation

That the Audit and Risk Committee endorse the Terms of Reference as adopted by Council at its Special Council Meeting of 31 October 2023.

Voting Requirement

Simple Majority.

Background

At the Special Council Meeting of 31 October 2023, Council appointed members to the Audit and Risk Committee and adopted the following Terms of Reference of the Audit and Risk Committee.

Audit and Risk Committee

Purpose

This Committee is established by Council in accordance with the Local Government Act 1995, part 7, to assist the Council under Regulation 16 of the Local Government (Audit) Regulations 1995 to discharge its responsibilities with regard to the exercise of due care, diligence and skill in relation to:

- The reporting of financial information, the application of accounting policies, and the management of the financial affairs of the City,



- The assessment of the adequacy of the management of Risk.

Scope

Local Government (Audit) Regulations 1995 Regulation 16 - Functions of audit committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's Report) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

The committee shall have as its primary duties and responsibilities the following tasks:



Audit

1. To meet with Council's external auditors and review the Audit Plan prior to the conduct of the interim audit each year;
2. To ensure that the audit is being conducted in accordance with the brief and the terms of appointment and that matters of concern to the Council and/or the Committee are being addressed;
3. Ensure that the Council's financial affairs and systems and processes are being managed and reported in accordance with statutory requirements and Australian Accounting Standards;
4. Ensure that relevant financial information is reported to Council in a form that meets the needs and expectations of Council, clearly setting out the key relevant financial data, such that the Council can confidently understand the financial performance of the Council's affairs;
5. Review the audit report and make appropriate recommendations to Council;
6. Where appropriate and with the approval of Council seek advice and/or assistance in relation to matters pertaining to the audit or financial affairs of the City.
7. Monitor the implementation of the Audit Management Plan.
8. Review at least annually the performance of the Audit and Risk Committee

Risk Management

1. Twice yearly consider a report in relation to the management of risk within the City of Nedlands and satisfy itself that appropriate controls and processes are in operation and are adequate for dealing with the risks that impact on the City.
2. To address any specific requests referred to it from Council in relation to issues of risk and risk management.
3. Monitor the implementation of the Strategic Risk Management Plan.

Membership

1. The membership of the committee shall comprise the Mayor and one Councillor from each ward with the Councillors being determined by nomination and if necessary, a ballot conducted at a Council Meeting and up to two non-Councillor Members, being residents of the City of Nedlands.
2. Council will appoint one Councillor from each ward as deputy members of the committee.



3. If a vacancy on the committee occurs for whatever reason, then Council shall appoint a replacement in accordance with the same arrangements as for the original appointment.
4. The ward deputy will be invited to attend the Committee as a voting member if the primary ward member is absent, an apology, on leave or has resigned.
5. The term of the presiding member and committee members will expire immediately prior to the next ordinary Council election.
6. The presiding member shall be determined by election amongst the members of the committee. The election will take place at the first meeting following the reconstitution of the committee after each ordinary Council election. The Mayor is eligible to vote for a presiding member but is not eligible to sit as the presiding member.
7. Should the elected presiding member not be present during a meeting of the committee then a temporary presiding member shall be elected in accordance with 5 above.
8. Community members shall have appropriate qualifications in Audit and / or Risk Management.
9. If a Committee member is unable to attend a meeting, an apology or an approved leave of absence is required. The Committee may resolve to relinquish membership after three or more unexcused absences.

Staff

The following staff will attend committee meetings to provide technical support and advice:

- Chief Executive Officer
- Director of Corporate & Strategy
- Coordinator Governance and Risk

Other staff may attend committee meetings when requested by the Committee through the Chief Executive Officer.

Invitees/Attendees

The Committee may invite relevant persons to attend and address or advise the committee, within the ambit of its scope and where necessary with the approval of Council (e.g., if authorisation of funding is required), as it sees fit including but not limited to:

- The external auditor or his/her representative



Meetings

1. The Council Committee operates under the Council's Standing Orders Local Law.
2. The Committee shall formally meet at least quarterly. A schedule of meetings will be developed and agreed to by the members. Additional meetings may be called by the Presiding member. It is the responsibility of the presiding member to call the meetings of the committee.
3. The quorum for a meeting will be 50% of the offices of the Audit & Risk Committee as per section 5.19 of the Local Government Act 1995.

Reporting

The Committee shall report quarterly to the Council summarising its activities during the previous financial year.

Delegated Authority

The Audit and Risk Committee will have delegated authority to meet with the auditor in accordance with Section 7.12A(2) of the Local Government Act 1995.

Discussion

In their Internal Audit review on the Effectiveness of the Audit and Risk Committee undertaken by Moore Australia in August 2022, one of their reported actions was to review the Terms of Reference to achieve a contemporary version which meets legislative compliance requirements and aligned to better practice principles.

The Terms of Reference have been reviewed against the Department of Local Government Operational Guidelines – Number 9 relating to Audit in Local Government and Office of Auditor General (OAG) WA Public Sector Audit Committees Better Practice Guide. The OAG Better Practice Guide has elements that are relevant to local government.

The Terms of Reference adopted by Council are considered to meet the legislative requirements for local government Audit and Risk Committees and align where appropriate to better practice principles relevant to local government. Accordingly, no changes are recommended.

Consultation

Not applicable.



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 **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

- Not applicable.

Budget/Financial Implications

There are no budget or financial implications arising in this report.

Legislative and Policy Implications

Not applicable to this report.

Decision Implications

Should the Committee support this recommendation no further action is required. However, should the Committee seek to amend the Terms of Reference a recommendation to that effect to Council would be required.

Conclusion

The Terms of Reference as endorsed by Council on 31 October 2023 are presented for the endorsement of the Committee.

Further Information

Nil.



10.2. ARC20.11.23 - OneCouncil Project Status Report

Meeting & Date	Audit Risk Committee – 20 Nov 2023
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil
Report Author	Emma Van der Wiele – Project Manager (ERP)
Director	Michael Cole – Director Corporate Services
Attachments	Nil

Purpose

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

Recommendation

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 and second phase, on time and with organisational wide support and engagement.

Discussion

The City is currently engaged in phase three of the OneCouncil implementation, namely, property and ratings (PNR) which is divided into two streams: revenue and compliance. The project team are excelling in their respective areas and continuously show support by leaning into their strengths and collaborating with one another to achieve goals and deadlines, ensuring alignment and unified understanding. The current phase is on track and continues to progress on time and within budget.

In the recent reporting period, the organisation has accomplished a series of significant milestones and initiatives including the successful management of monthly meetings and updates with the Implementation team, fostering effective collaboration between the Information management (IM) and ICT teams to ensure effective and aligned service delivery to the City of Nedlands. The value in those meetings ensures the city is focused on embedding a culture of knowledge sharing and transitioning completed project tasks to daily operations. Additionally, all required Configuration Design Document (CDD) sessions for revenue and compliance have been completed, ensuring adherence to regulatory standards and optimising processes for the City.

With a focus on skill development; training sessions covering connected content, hard copy management, document management, and record management, facilitated by TechnologyOne, were delivered to the Project team, IM, and ICT teams. The project team also strengthened their knowledge of business process automation (BPA) and Forms within the OneCouncil solution, participating in training in collaboration with TechnologyOne.

The team coordinated a comprehensive review of all revenue and compliance business process automation (BPA) which addressed, volume, solutions, challenges, and future planning based on prior lessons. BPA modifications are currently the focus of the OneCouncil project team due to their ability to cause ongoing challenges where manipulation to the process is evident.

In supporting the ongoing management and continuous improvement of the OneCouncil solution, the team are working extensively to action the immediate implementation of their modules and seek collaborative insight to solution any challenges that may arise as the project evolves. This includes decisive meetings with the finance department clarifying regulatory requirements for transactional data to be integrated into OneCouncil at Go-live, and collaborative meetings with Westpac to address project changes related to revenue implementation.



For a comprehensive overview of the phase 3 tracking, refer to figure 1. *Phase 2 - Project progress tracker for the July 2023 reporting period.*

Area	Previous Status	Current Status	Comments
Scope			Scope is being effectively managed
Budget			The budget forecast for the year remains within the allocated budget
Schedule			The schedule is being effectively managed

Green
Amber
Red

Project is on track to deliver the expected outcomes at the budgeted cost in the currently agreed timeframe

Currently agreed outcomes, time, cost and/or quality requirements are at risk of being exceeded if specific action is not taken

Currently agreed outcomes, time, cost and/or quality requirements have been or will be exceeded and specific action is required to address

Activities recently completed (last period):

- Managing the Enterprise Content Management (ECM) monthly meetings and updates with Implementation team (IM and ICT teams).
- Completion of all CDD sessions – Revenue and Compliance.
- Connected content training, Hard copy management training, document management training and record management training facilitated by Technology1. Delivered to Project team, IM and ICT teams.
- Completion of annual report – ERP solution input.
- Project team property and ratings BPA review and presentation on volume, solutions, challenges and
- BPA workshop to forward plan and manage challenges from lessons learnt in previous modules requiring manipulation to BPA’s.
- Westpac – initial meeting to establish project changes with Revenue implementation.
- Finance transactions – Decision meetings with finance department to determine regulatory requirements of transactions data to be loaded into OneCouncil at go-live.
- Change Concept Model for Champions: The project team have introduced a change concept model to empower champions and facilitate their understanding of how to guide others empathetically through the change journey.
- Data Migration Collaboration: Collaboration with Tech1 has been ongoing to refine data migration processes.
- BPA and forms training delivered by TechnologyOne.
- Doc one training coordinated by TechnologyOne.
- Goods Receipting Slogan Competition winner (Nathan Blumenthal): The Project team initiated a competition to create a slogan for goods receipting process which continues



to be the most troublesome process for a large volume of employees. Slogan has been shared organisation wide.

- Change Reference Poster: A reference poster has been developed for employees to identify different stages of the change process.
- Business decision agreed that payment and customer Reference Portal: Payment through the guest portal will be introduced post go-live, with plans for a staged rollout.
- Compliance meeting with City of Mandurah.
- Resource Pool Management Review: An ongoing review of resource pool management was carried out with building team.
- Revenue Business Decision Matrix: The development of a revenue business decision matrix has been completed resulting from CDD sign-off, indicating impending changes in our business processes.

Upcoming period's activities:

- Volunteer Day – FOODBANK. Team building day scheduled to facilitate bonding of project team members prior to transition into the busier phase of the project delivery.
- SME forum commencement
- Developing and completion of internal acceptance documents to be distributed to Revenue and Compliance affected Directors.
- The project team are developing and testing an automation tool to assist with the remuneration changes and impacts of the negotiated EBA agreement.
- Revenue findings and business decisions sign off and action.
- Compliance CDD's prepared for final sign off with TechnologyOne.
- Data environment management control and refresh as a standing agenda item for the project team.
- Development of data import loaders and testing for large volume data migration.
- Compliance CDD review and approval with SME's.
- Quality assurance assessment to validate PPLGS configuration.
- BPA compliance review and configuration session with TechnologyOne consultant.
- Assets assistance to manage data upload from Assetfinda (legacy system)
- Lunch and learn – Project Manager and Change Manager facilitating a change management professional development training for Managers.

Project Issues for Escalation:

There are currently no escalation issues open.



PHASE 3 – Project Delivery: OneCouncil Enterprise Resource Planning – Project Progress Tracker –OCTOBER reporting period 2023

Mike Cole (Project Sponsor)	Emma Van der Wiele (Project Manager)	Megan Coghlan (Change Manager)	Kevin Wijey (Business Systems Analyst)	Louise Andersen (Business Systems Analyst)	Sahan Tharaka (Business Systems Analyst)	Wolfgang Voigt (Solutions Architect)
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Revenue Stream No. of modules within Revenue 5 % Complete 39%	Compliance Stream No. of modules within Compliance 9 % Complete 30%	ECM ECM implementation is being executed by the IM and IT teams with assistance from the OneCouncil Project team % Complete 46%	Overall Project complete % Complete 34% % Work remaining
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Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2023										2024									

Phase 1: Pework, discovery and governance initiation of module management approach	Phase 2: Project planning Configuration design	Phase 3: Project implementation - ITT, Config build, System test and User Acceptance Testing (UAT)	GO-LIVE 30.08.24	Phase 4: Post work and Competency Handover and Closure
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Module Portfolio Coverage				
Complete	Billing Management, Debtors Management, Enterprise Cash Receipting, Planning and Development, Licenses and permits, Enforcements, Leases and licenses, Policy, Animal management and Infringements	ECM, Property Management and Names Management	N/A	N/A

TRAINING

Current Project Activity		Milestone	Due Date	Status
EBA Assistance to plan and implement	Data source cleansing	Revenue: Module Commencement	27.03.2023	Complete
Volunteer day - FOODBANK	DXP – BAU handover	Compliance: Module Commencement	24.03.2023	Complete
SME open forum meeting	Revenue CDD sessions sign off CDD acceptance docs	Revenue: Configuration design commencement	27.03.2023	Complete
Data Migration: Business decision matrix development	Compliance CDD sessions	Revenue: ITT Commencement	01.12.2023	Not Started
Revenue: Business decision matrix development	Compliance: BPA review presentation	Compliance ITT Commencement	15.12.2023	Not Started
Internal acceptance documents: Revenue and Compliance: Core functionality	Site visit: City of Perth – Building and Planning demonstration	Revenue: UAT Commence – Solution meets approved design	12.03.2024	Not Started
People Managers training	Westpac project resource collaboration and plan building	Compliance: UAT Commences – Solution meets approved design	12.03.2024	Not Started
Recruitment module survey and lessons learnt analysis	Financial transactions: Business decision scoping	Revenue: Module Design, configuration and migration complete	23.07.2024	Not Started
		Compliance: Module Design, configuration and migration complete	23.07.2024	Not Started
		GO-LIVE: Revenue and Compliance	30.08.2024	Not Started
		Receive and endorse project closure certificate	14.10.2024	Not Started



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 2022/23 Annual Budget.

Legislative and Policy Implications

Nil.

Decision Implications

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

Conclusion

The implementation of the OneCouncil project underpins the strategic and operational requirements for the City of Nedlands through a single, integrated solution. The change benefits of the software allow the city to embrace technological strategies to deliver smart community goals.

Recent adoption of changes to the approach and management of the OneCouncil project has seen the module implementation and change acceptance by the organisation reach a level of maturity that ensures the systems future is embedded in the culture at the City of Nedlands.

Active engagement to future proof the City through development of strategic approach documentation, continuous improvement and business as usual ensures reduced impact to the three project health areas namely, scope, budget and schedule.

Efforts to ensure the project continues to mature as the team transitions through Phase 3 to include operating with a collaborative lens, addressing issues raised for escalation and continuous improvement initiatives are managed efficiently and effectively in partnership.

Further Information

Nil.



10.3. ARC21.11.23 - Adoption Strategic Risk Register

Meeting & Date	Audit and Risk – 20 November 2023
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Libby Kania - Coordinator Governance and Risk
CEO	Tony Free – Acting Chief Executive Officer
Attachments	1. Confidential Attachment Strategic Risk Register 2. Risk Management Framework

Purpose

The purpose of this report is for the Audit and Risk Committee to consider and if satisfied, recommend to Council adoption of the proposed Strategic Risk Register, and to adopt the updated Risk Management Framework.

Recommendation

That the Audit and Risk Committee recommends that Council:

- 1. adopts the Strategic Risk Register as contained in Confidential Attachment 1 to this report; and**
- 2. adopts the updated Risk Management Framework as contained in Attachment 2 to this report.**

Voting Requirement

Simple Majority.

Background

In July 2022, the City’s internal auditors, Moore, identified in its report on the City’s compliance with regulation 17 of the *Local Government (Audit) Regulations 1996*, that the City’s risk management systems required development and improvement. Indeed, paragraph 2.4 of the Key Observations of the 5 July 2022 Internal Audit Risk Management Report states –

2.4 Risk Register - The Risk Register is out of date and does not adequately identify strategic risks but rather is a task list of matters which need to be actioned within the City. It does not include Risk Identification, Business Unit Risk Registers, Regular Risk Review, Evidence of



controls effectiveness rating, Risk Assessment using an effective weighting of elements, Management of Shared Risks, Risk Categories, complete risks and controls rating of implemented controls. There is no comparison to Risk Appetite and Risk Tolerance. These observations limit the effectiveness of risk management.

The report found that –

- 2.6 Risk Management Framework – The Risk Management Framework is out of date and has not been approved and has been in progress for many years. It has not been aligned to the relevant legislation and standards and does not fully outline the documentation which underpins the Risk Management Framework.

At the Audit and Risk Committee meeting held on 21 August 2023, the Committee considered and recommended approval of the Risk Management Policy to Council. This formally recognised the role of Council and the Audit and Risk Committee in the risk management process. The policy recognised the importance of risk management to the function of the City's operations and committed the City to the principles outlined in the AS/NZS ISO 31000 2018 standard.

Following on from the Policy is the consideration of the Risk Management Framework, that includes the adopted policy, and the Strategic Risk Register. These have been updated and form part of the review of the risk management system.

Discussion

The City is currently looking at the appropriateness and effectiveness of its systems and procedures in relation to risk management to fulfil its obligations under Regulation 17 of the *Local Government (Audit) Regulations 1996*. Risk management is important to achieving the City's objectives through continuous review of its processes and systems. To that end, the City is required to ensure that it establishes a risk management framework and has a formal process for managing risks.

1. Risk Management Framework

All Local Governments are required to develop and adopt a Risk Management Framework. This forms part of the statutory planning requirements under the IPR legislation. With the Strategic Community Plan, the Corporate Business Plan, Long-term financial plan, Workforce Plan, and the Asset Management Plan, the Risk Management Framework creates value for the City and the community, contributing to the demonstrated achievement of the City's strategic objectives. The risk management framework establishes the boundaries within which risks are managed and provides the scope of the risk management assessment. The risk management context for the organisation needs to be aligned with the structure, capacity, strategic direction and business planning objectives of the City.



A review was undertaken of the Risk Management Framework and associated procedures to ensure compliance with AS/NZS ISO 31000 2018 and amendments made to the organisational structure at the City. The updated framework, that includes the policy, has been provided for the Committee's consideration.

2. Strategic (Organisational) Risk Register

The Strategic Risk Register has been included to this report as a confidential attachment under s. 5.23(2)(f)(ii) of the *Local Government Act 1995* on the basis that the register contains information that if made public would endanger the security of the City's property.

The Strategic Risk Register was reviewed to ensure that strategic risks are –

- Identified
- Assessed
- The effectiveness of existing controls are evaluated
- Residual risk is assessed
- Risk treatment options are considered

The register has been completed from data sourced through –

- Consultation with executive, representatives of the internal audit team,
- audit reports, consideration of previous risk registers at the City of Nedlands,
- validating against known categories/types of strategic risks,
- researching risks identified by other local government authorities

Council is in the process of finalising the Council Plan. The identified strategic risk areas are linked to the Council Plan priorities of –

- People
- Planet
- Place
- Prosperity/financial sustainability
- Performance/service delivery

In September 2023, the Executive Management Team was tasked with completing the risk assessment of the risks identified in the Strategic Risk Register. In completing the task, it was identified that the area of asset maintenance was of specific concern. This will be the subject of an upcoming Council forum, but at present there are a number of Council assets that require significant attention and officers have completed substantial work in this area to provide detailed analysis of the City's current position.

The Strategic Risk Register has been provided to the Committee for its consideration.



Consultation

The proposed Strategic Risk Register and Risk Management Framework were presented to EMT for their consideration and feedback in September 2023. The feedback received was noted and amendments were made.

Strategic Implications

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

Values **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.

Budget/Financial Implications

Nil.

Legislative and Policy Implications

Local Government Act 1995 section 2.7 – Role of Council.

Local Government (Audit) Regulations 1996

Regulation 17 CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.



Decision Implications

Failure to adopt a comprehensive Risk Management system places the City at risk of non-compliance with its legislative responsibilities, and with its ability to adequately prepare for and address risks within the organisation and for the local government district. Adoption of the proposed framework will assist efforts to improve the governance arrangement at the City and meet statutory obligations.

Conclusion

The Strategic Risk Register and the Risk Management Framework have been updated to meet the requirements of the legislation and the findings of the internal audit. They have been provided to the Audit and Risk Committee for consideration. Should the Committee be satisfied then these may be recommended to Council for adoption.

Further Information

Nil.



Risk Management Framework



Version 1

Last Update – 02/11/2023

Next Update – 02/11/2024

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- 4. Risk and Control Management Procedures**
 - 4.1 Risk and Control Assessment
- 5. Risk Management Culture**

Appendices

Appendix A – Risk Assessment and Acceptance Criteria

Appendix B – Risk Profile Template

Appendix C – Risk Theme Definitions

1. Introduction

The City of Nedlands' (the City) Risk Management Policy with the components of this document encompasses the City's Risk Management Framework. It sets out the City's approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2018 Risk management - Guidelines.

All areas of the City must adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with legislation, regulations, and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives are understood.

This Framework aims to balance a documented, structured, and systematic process with the current size and complexity of the City.

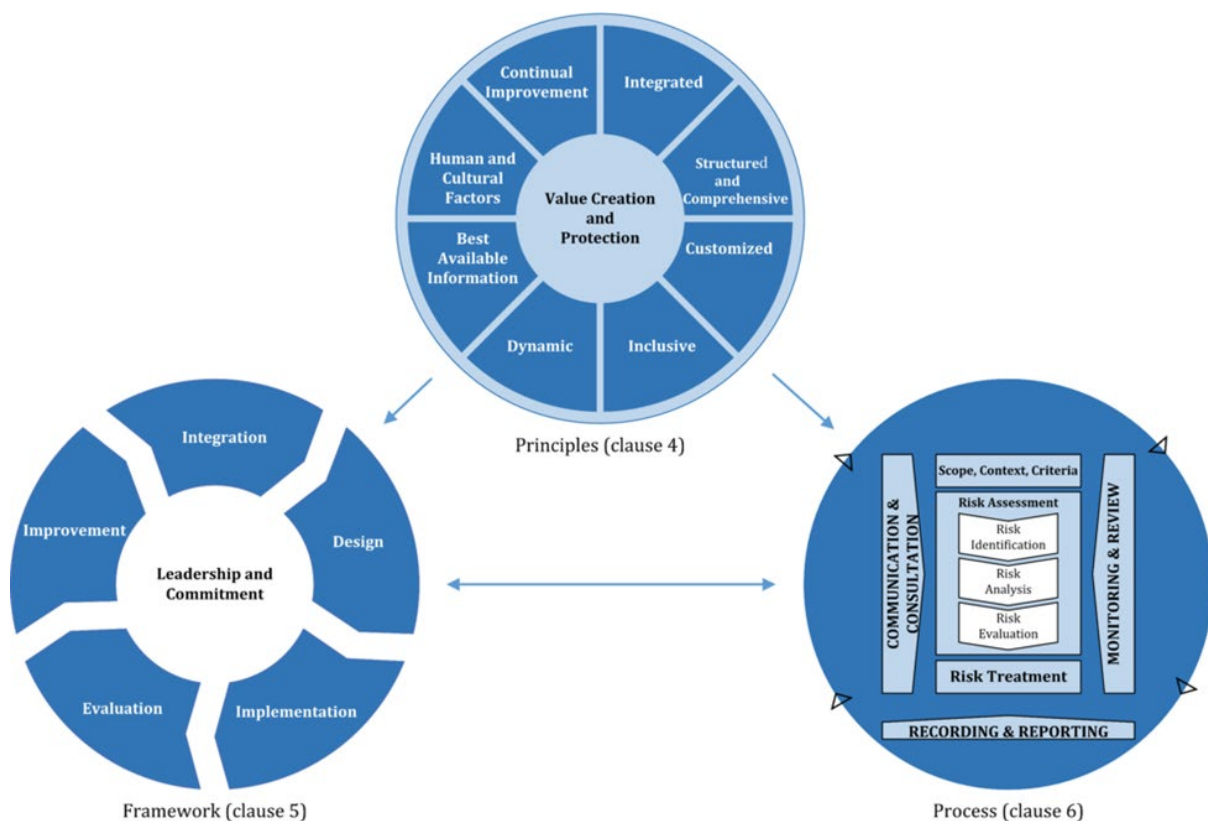


Figure 1 - Relationship between the risk management principles, framework, and process - (Source: ISO 31000:2018)

2. Governance

Appropriate governance of risk management within the City provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

2.1 Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every three years in line with Regulation 17.

2.2 Operating Model

The City has adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance.

By operating within the approved risk appetite and framework, the Council, Administration and the Community will have assurance that risks are effectively supporting the delivery of the City’s Strategic, Corporate & Operational Plans.

First Line of Defence

All operational areas of the City are considered ‘1st Line’. They ensure that risks within their scope of operations are identified, assessed, managed, monitored, and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include:

- Establishing and implementing processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the risk decision-making process.
- Prepare risk acceptance proposals where necessary, based on the level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence

The Coordinator Governance and Risk acts as the primary ‘2nd Line’. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the tools and training to support the 1st line process.

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Maintaining oversight on applying the framework provides a transparent view and level of assurance to the 1st & 3rd lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1st Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Co-ordinating the City's risk reporting for the CEO & Executive Management Team and the Audit Committee.

The Executive Management Team (EMT) provides oversight of the Framework, and sets the tone and promotes a positive risk management culture within the City. The CEO and EMT maintain oversight of the highest level risks and take responsibility for the implementation of mitigation strategies.

Third Line of Defence

Internal & External Audit are the third line of defence, independently assuring the Council, Audit Committee and City Management on the effectiveness of business operations and oversight frameworks (1st & 2nd Line).

Internal Audit – Appointed by the City to report on the adequacy and effectiveness of internal control processes and procedures. Which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by the Auditor General to report independently to the Council and CEO on the annual financial statements.

3. Governance Structure

The following diagram depicts the proposed operating structure for risk management within the City.

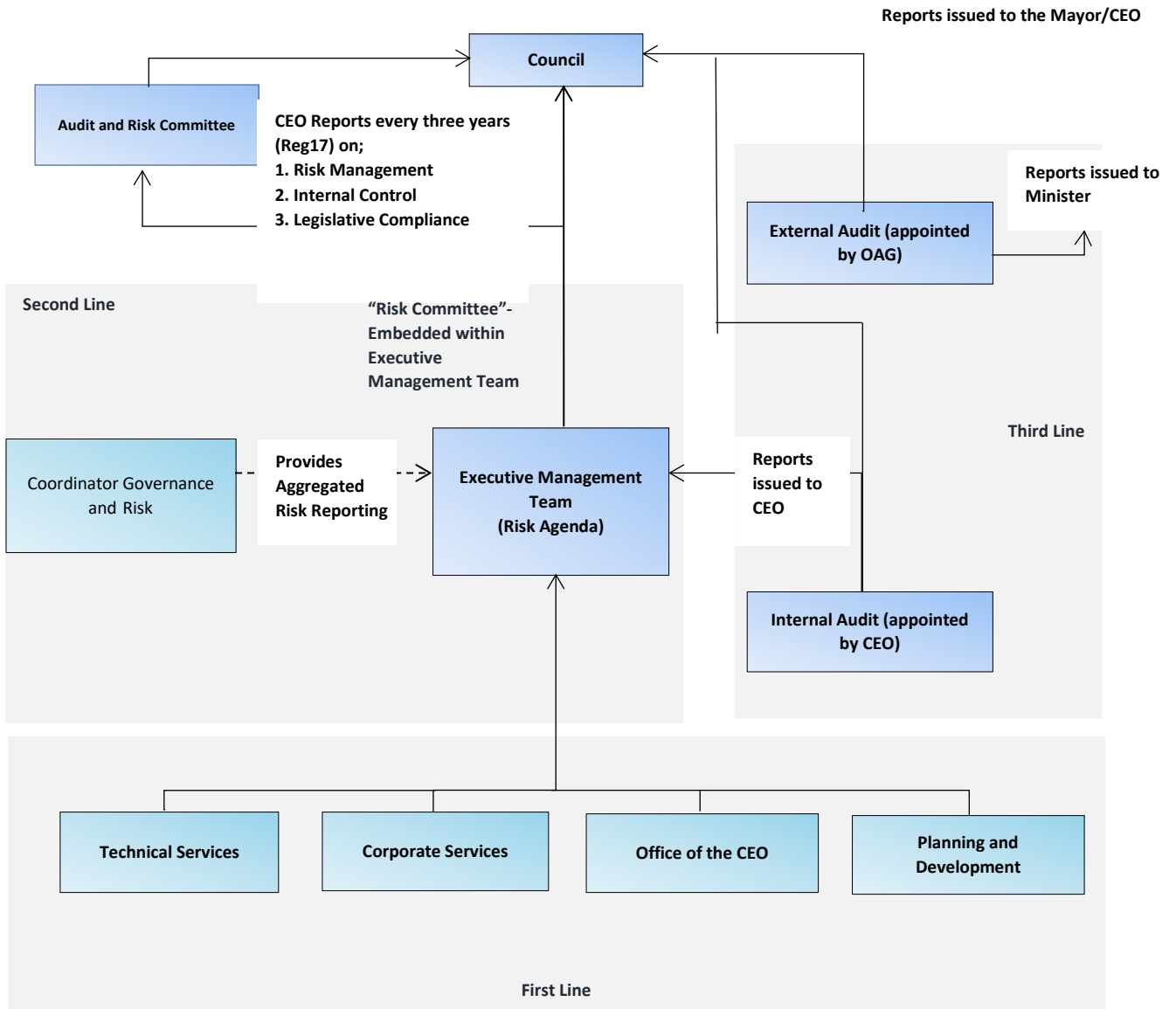


Figure 2 - Operating Model

3.1 Roles & Responsibilities

Council

- Review and approve the City's Risk Management Policy.
- Establish and maintain an Audit Committee in terms of the *Local Government Act 1995*.

Audit and Risk Committee

- Regular review of the appropriateness and effectiveness of the Risk Management Policy.
- Support Council to provide effective corporate governance.
- Oversight of all matters that relate to the conduct of internal and external audits.
- Must be independent, objective, and autonomous in deliberations.
- Recommendations to Council on Internal Audit appointments.

CEO / Executive Management Team

- Undertake internal audits as required under *Local Government (Audit) Regulations 1996*.
- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues, and trends.
- Document decisions and actions arising from risk matters.
- Own and manage the Risks at City Level.

Coordinator Governance and Risk

- Oversee and facilitate the Risk Management Framework.
- Supports reporting requirements for Risk matters.

Service Areas

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues.

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- Incorporate Risk Management into Meetings, by incorporating the following agenda items.
 - New or emerging risks.
 - Review existing risks.
 - Control adequacy.
 - Outstanding issues and actions.

3.2 Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.

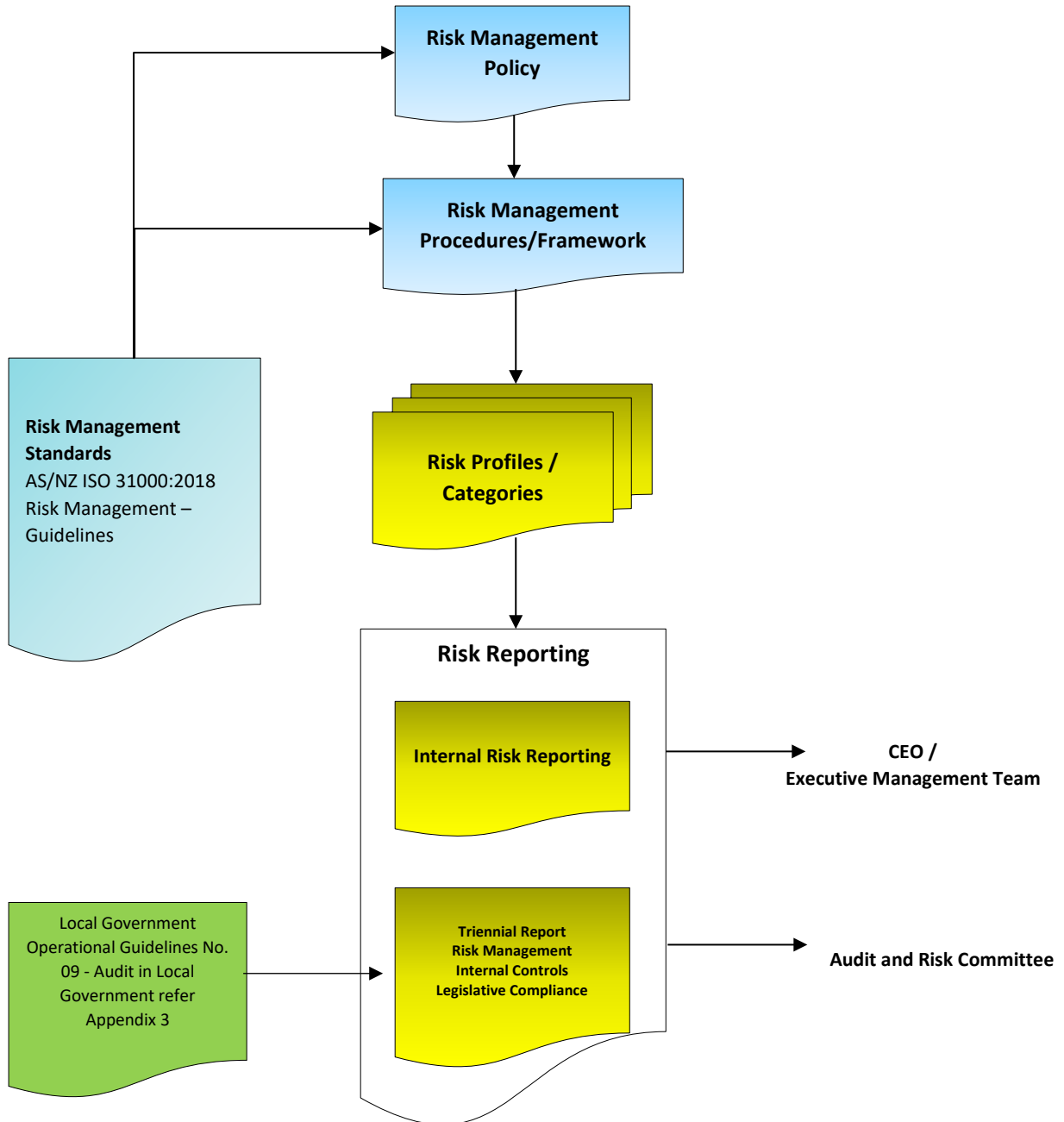


Figure 3 - Document Structure

4. Risk and Control Management Procedures

All Work Areas of the City must assess and manage their Operational Risks on an ongoing basis.

Each Manager is accountable for ensuring that Risks in their area are:

- Reflective of the material risk landscape of the City.
- Reviewed on at least a 12-month rotation, or sooner if there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported using key data inputs, workshops, and ongoing business engagement.

The risk management process is standardised across all areas of the City. The following diagram outlines that process with the following commentary broadly describing each step.

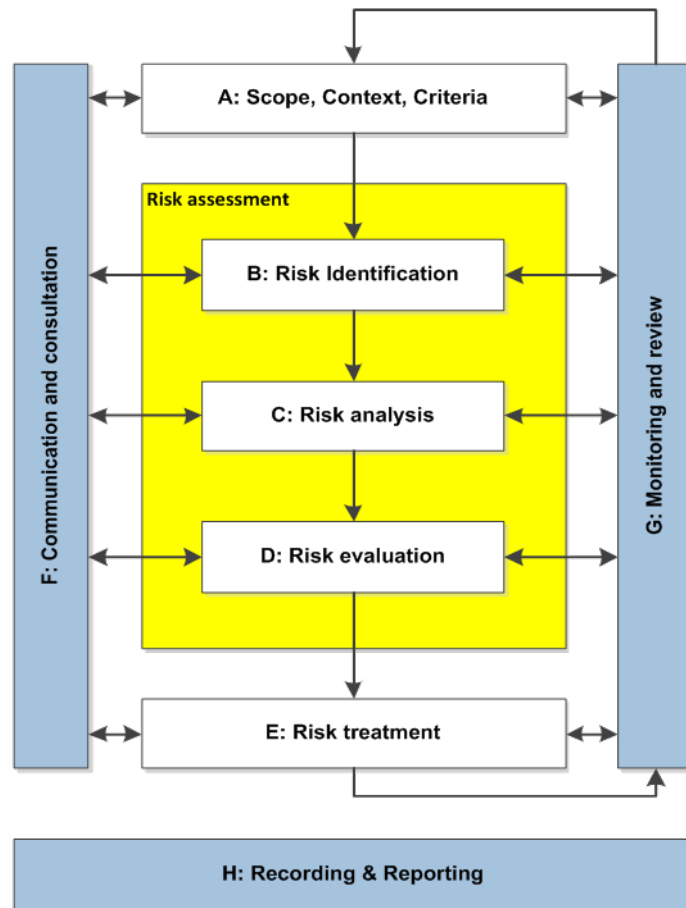


Figure 4 - Risk Management Process ISO 31000:2018

4.1 Risk & Control Assessment

To ensure alignment with AS/NZ ISO 31000:2018 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective:

4.1.1 A: Scope, Context, Criteria

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

Organisational Context

The City's Risk Management Procedures provide the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed.

Any changes or additions to the Risk Themes must be approved by the CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision-making processes.

Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process.

For risk assessment purposes the City has been divided into three levels of risk assessment context:

Strategic Context

These risks are associated with the City's external environment, high-level direction and long-term objectives. Inputs to establishing the strategic risk assessment context may include:

- Organisational Vision
- Stakeholder Analysis
- Environment Scan¹ / SWOT Analysis (strengths, weaknesses, opportunities, threats)
- Strategies / Objectives / Goals (Integrated Planning & Reporting)

¹ ongoing tracking of trends and occurrences in an organization's internal and external environment that bear on its success, currently and in the future.

The City captures its strategic risks through the development and implementation of the City's Strategic Community Plan.

Operational Context

This context includes the City's day to day activities, functions, infrastructure, and services. Before identifying operational risks, the operational area should identify its key activities i.e. what is it aiming to achieve? These may already be documented in business plans, budgets etc.

Project Context

Project Risk has two main components:

- **Direct** refers to the risks that may arise as a result of project activity (i.e. impacting on current or future process, resources or IT systems) which may prevent the City from meeting its objectives.
- **Indirect** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

4.1.2 B: Risk Identification

Once the context has been determined, the next step is to identify risks. This is finding, recognising, and describing risks. Risks are described as the point along an event sequence where control has been lost. An event sequence is shown below:

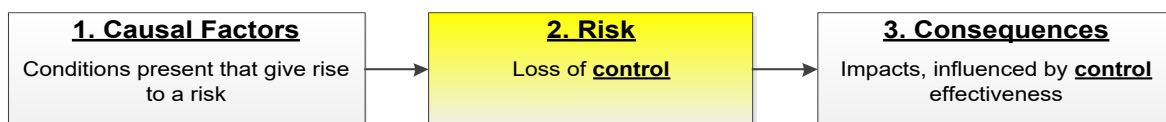


Figure 5 - Event (risk) sequence

Using the specific risk assessment context as the foundation, and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile. The risk profile will be used to build the operational risk register and provide a high level overview of the City's overall risks and controls.

- What can go wrong? / What are areas of uncertainty? (Risk Description)

Risk Description – describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event, or the consequences of an event.

- How could this risk eventuate? (Potential Causes)

Potential Causes – are the conditions that may present or the failures that may lead to the event or point when control is lost (risk).

- What are the current measurable activities that mitigate this risk from eventuating? (Controls)

Controls – are measures that modify risk. At this point in the process only existing controls should be considered. They must meet these three tests to be controls:

1. Is it an object, technological system and / or human action?
2. Does it, by itself, arrest or mitigate an unwanted sequence?
3. Is the required performance specifiable, measurable, and auditable?

- What are the potential consequential outcomes of the risk eventuating? (Consequences)

Consequences – need to be impacts to the City. These can be staff, visitor, or contractor injuries; financial; interruption to services; non-compliance; damage to reputation or assets or the environment. There is no need to determine the level of impact at this stage.

Each risk profile and ultimately the risks contained in the risk register requires a risk owner who is responsible for managing the risk and is accountable for determining if the risk level can be accepted, reviewing the risk, monitoring the controls and risk treatments.

4.1.3 C: Risk Analysis

To analyse identified risks, the City's Risk Assessment and Acceptance Criteria (Appendix A) is applied.

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

4.1.4 D: Risk Evaluation

Risk evaluation takes the residual risk rating and applies it to the City's Risk Acceptance Criteria (Appendix A) to determine whether the risk is within acceptable levels to the City.

The outcome of this evaluation will determine whether the risk is low; moderate; high or extreme.

It will also determine using the Risk Acceptance Criteria, what (if any) high level actions or treatments need to be implemented.

The risk acceptance decision needs to be documented and acceptable risks are then subject to the monitor and review process. Note: Individual Risks or Issues may need to be escalated due to urgency, level of risk or systemic nature.

4.1.5 E: Risk Treatment

Once a risk has been analysed and evaluated, an informed decision on one of the following actions needs to be considered by the risk owner –

Accept the risk – the opportunity of the activity outweighs the risk, the existing controls meet the criteria stated in the Risk Assessment Criteria and the risk is within the defined tolerance and appetite of the City.

Avoid the risk – stop the activity.

Treat the risk – reduce the consequence, likelihood or both and improve the controls rating by strengthening existing controls, so that the risk may be accepted.

The treatment selection and implementation will be based on financial, technical and operational capabilities.

Once a treatment has been implemented, the Coordinator Governance and Risk is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process.

All risk based decisions are made in accordance with the criteria outlined in the risk assessment criteria tables.

4.1.6 F: Communication & Consultation

Effective communication and consultation are essential to ensure those responsible for managing risk, and those with a vested interest, understand the basis on which decisions are made and why particular treatment / action options are selected or the reasons to accept risks have changed.

As risk is defined as the effect of uncertainty on objectives, consulting with stakeholders helps to reduce components of uncertainty. Communicating these risks and the information surrounding the event sequence ensures decisions are based on the best knowledge.

4.1.7 G: Monitoring & Review

It is essential to monitor and review the management of risks, as changing circumstances may cause risks increasing or decreasing in significance.

By regularly reviewing the effectiveness and efficiency of controls and the appropriateness of treatment / action options selected, we can determine if the organisation's resources are being put to the best use possible.

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process. Management must review any risks within their area and follow up on controls and treatments / action mitigating those risks. Monitoring and the reviewing of risks, controls and treatments also apply to any actions / treatments that originate from an internal audit. The audit report will provide recommendations for risks tested during an internal review. Council, through the Audit and Risk Committee will be provided with (biannual) update reports.

Further, the City is to review all Risks at least on an annual basis or if triggered by one of the following;

- Changes to context,
- A treatment is implemented,
- An incident occurs or due to audit/regulator findings.

The CEO & Executive Management will monitor significant risks and treatment implementation as part of their normal agenda item on a regular basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Extreme
- Risks with Likelihood Rating of Almost Certain

EMT will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the City.

Risk management awareness and training will be provided to staff as part of their WHS Program.

Risk management will be included within the employee induction process to ensure new employees are introduced to the City's risk management culture.

4.1.7 H: Recording & Reporting

The following diagram provides a high-level view of the ongoing reporting process for Risk Management.

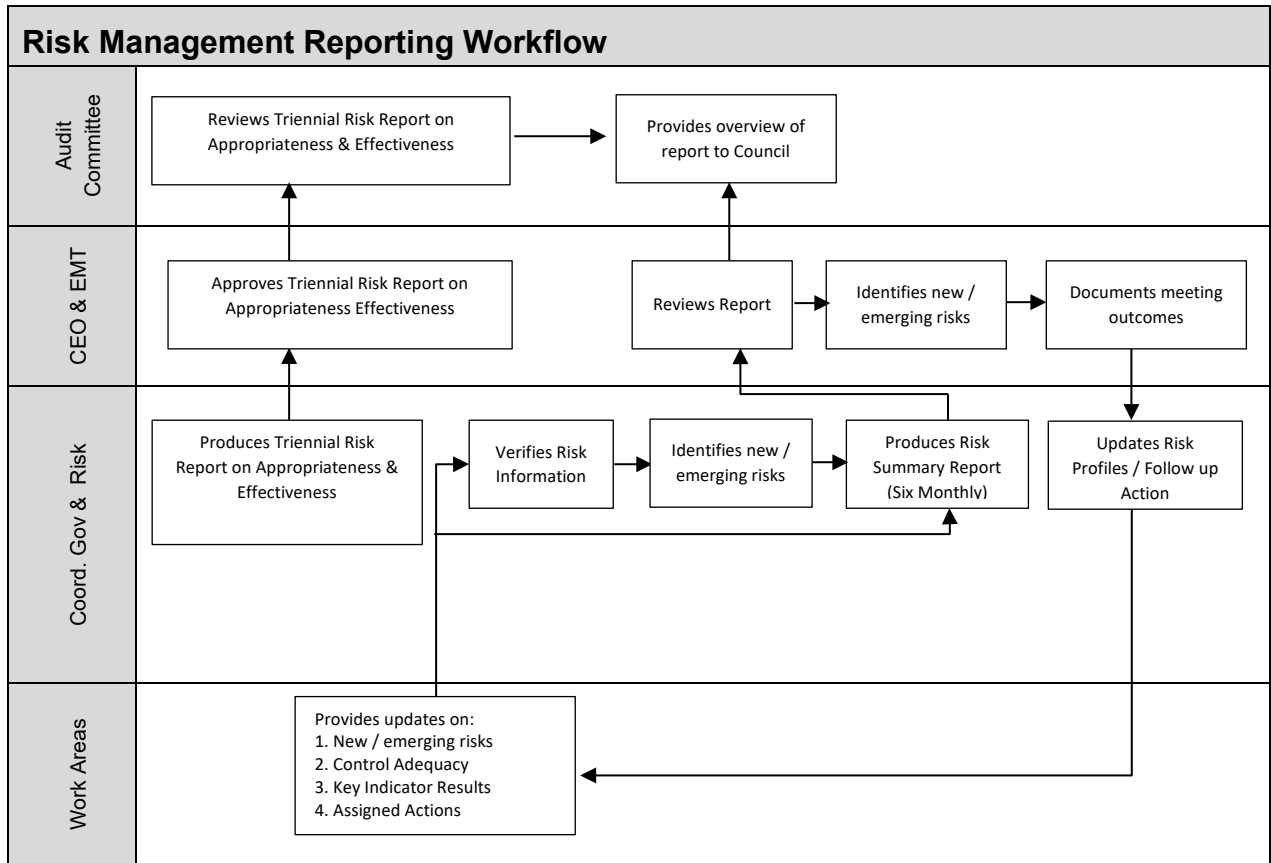


Figure 6 - Risk Management Reporting Workflow

Each Work Area ensures:

- They continually provide updates in relation to new or emerging medium to high risks, control effectiveness and key indicator performance to the Coordinator Governance and Risk
- Work through assigned actions and provide updates to the Coordinator Governance and Risk
- Risks / Issues reported to the CEO & Executive Management Team reflect the current risk and control environment.
- The Coordinator Governance and Risk is responsible for:
 - ensuring City Risks are formally reviewed and updated, at least on an annual rotation or earlier when there has been changes to context, a treatment is implemented, or an incident occurs or due to audit/regulator findings.
 - Six Monthly Risk Reporting for the CEO & Executive Management Team – Contains an overview of the Risk Summary for the City.

- Annual Compliance Audit Return completion and lodgement.

5. Risk Management Culture

Building a risk aware culture is important to good risk management. The Framework will be communicated through the organisation and embedded into practices.

It is important that officers support and promote a strong risk management culture. Officers are able to do so by –

- Playing an active part in identifying, reporting and continuously improving the way in which they undertake activities.
- Management empowering officers to manage risks effectively.

Council and management promoting risk management by allocating sufficient resources for risk management activities.

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence									
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment	Project TIME	Project COST
Insignificant (1)	Near miss. Minor first aid injuries	Less than \$20,000	No material service interruption	No noticeable regulatory or statutory impact Threat of litigation No effect on contract performance	Unsubstantiated, low impact, no media involvement	Inconsequential or no damage.	Contained, reversible impact managed by on site response	Exceeds deadline by 10% of project timeline	Exceeds project budget by 10%
Minor (2)	Medical type injuries / Lost time injury <30 days	\$20,001 - \$100,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances Single minor litigation	Substantiated, low impact, low news profile	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	Exceeds deadline by 15% of project timeline	Exceeds project budget by 15%
Moderate (3)	Lost time injury >30 days	\$100,001 - \$500,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with no significant regulatory requirements imposed Single moderate litigation or numerous minor litigations	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	Exceeds deadline by 20% of project timeline	Exceeds project budget by 20%
Major (4)	Long-term disability/multiple injuries	\$500,001 - \$1,000,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties Single major litigation	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	Exceeds deadline by 25% of project timeline	Exceeds project budget by 25%
Catastrophic (5)	Fatality, permanent disability	More than \$1,000,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact	Exceeds deadline by 30% of project timeline	Exceeds project budget by 30%

Table 1 - City of Nedlands Measure of Consequence

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Level	Rating	Frequency
5	Almost Certain	More than once per year
4	Likely	At least once per year
3	Possible	At least once in 3 years
2	Unlikely	At least once in 10 years
1	Rare	Less than once in 15 years

Table 2 - Measures of Likelihood

Consequence		Likelihood				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Table 3 - Risk Rating

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Risk	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Coordinators / Operational Managers
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Managers
HIGH (10-16)	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management and subject to monthly monitoring	CEO / Executive
EXTREME (20-25)	Unacceptable	Risk only acceptable with effective controls, all treatment plans in place, managed by CEO and subject to continuous monitoring	CEO & Council

Table 4 - Risk Acceptance Criteria

City of Nedlands Existing Controls Rating		
Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
Adequate	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
Inadequate	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.

Table 5 – Existing Controls Rating

Appendix B – Risk Profile Template

• Risk Theme		• Date	
<ul style="list-style-type: none"> • <u>(What could go right / wrong?)</u> Definition of Theme 			
<ul style="list-style-type: none"> • <u>Potential causes (What could cause it to go right / wrong?)</u> • List of potential causes 			
<ul style="list-style-type: none"> • Controls • (What we have in place to prevent it going wrong) 	<ul style="list-style-type: none"> • Type 	<ul style="list-style-type: none"> • Date 	<ul style="list-style-type: none"> • City Rating
<ul style="list-style-type: none"> • List of Controls 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • Overall Control Ratings: 			<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • Consequence Category 	<ul style="list-style-type: none"> • Risk Ratings 	<ul style="list-style-type: none"> • City Rating 	
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Consequence: 	<ul style="list-style-type: none"> • 	
	<ul style="list-style-type: none"> • Likelihood: 	<ul style="list-style-type: none"> • 	
<ul style="list-style-type: none"> • Overall Risk Ratings: 			<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • Indicators • (These would 'indicate' to us that something has gone right / wrong) 	<ul style="list-style-type: none"> • Tolerance 	<ul style="list-style-type: none"> • Date 	<ul style="list-style-type: none"> • Overall City Result
<ul style="list-style-type: none"> • List of Indicators 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • <u>Comments</u> • Rationale for all above ratings 			
<ul style="list-style-type: none"> • Current Issues / Actions / Treatments 		<ul style="list-style-type: none"> • Due Date 	<ul style="list-style-type: none"> • Responsibility

ARC21.11.23 - Attachment 2

• <i>List current issues / actions / treatments</i>	•	•
•	•	•
•	•	•
•	•	•

Appendix C – Risk Theme Definitions

1. Asset Sustainability

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

2. Business and Community Disruption

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal City business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (incl vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

3. Compliance Obligations

Failures to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices")

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

4. Document Management

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

ARC21.11.23 - Attachment 2

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

5. Employment practices

Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S)
- Discrimination, Harassment & Bullying in the workplace
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place
- Induction issues
- Terminations (including any tribunal issues)
- Industrial activity

Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiencies.

6. Engagement practices

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

7. Environment management

Inadequate prevention, identification, enforcement and management of environmental issues.

The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping / Illegal clearing / Illegal land use.

8. Errors, Omissions, Delays

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

9. External theft & fraud (incl Cyber Crime)

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

10. Management of Facilities / Venues / Events

Failure to effectively manage the day to day operations of facilities and / or venues.

This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (e.g. cleaning / maintenance)

11. IT, Communication Systems and Infrastructure

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

ARC21.11.23 - Attachment 2

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

12. Misconduct

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

13. Project / Change Management

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

14. Safety and Security practices

Non-compliance with the WHS Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment.

15. Purchasing and Supply

Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the

ARC21.11.23 - Attachment 2

ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability



10.4. ARC22.11.23 – Update from Moore Australia

Meeting & Date	Audit and Risk Committee Meeting – 20 November 2023
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Michael Cole - Director Corporate Services
Director	Michael Cole - Director Corporate Services
Attachments	1. Moore Australia Agenda paper for ARC Meeting 20 November 2023

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 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.

Discussion

Moore Australia present an update to every meeting of the Audit and Risk Committee. A representative from Moore Australia will present an overview of the report and answer any questions the Committee may have.

Consultation

Nil.



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 **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

- Not applicable

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.

Legislative and Policy Implications

Not applicable.

Decision Implications

The report is to receive an update from Moore Australia. There are no decision implications.

Conclusion

The update from Moore Australia to submitted to the Audit and Risk Committee for noting.

Further Information

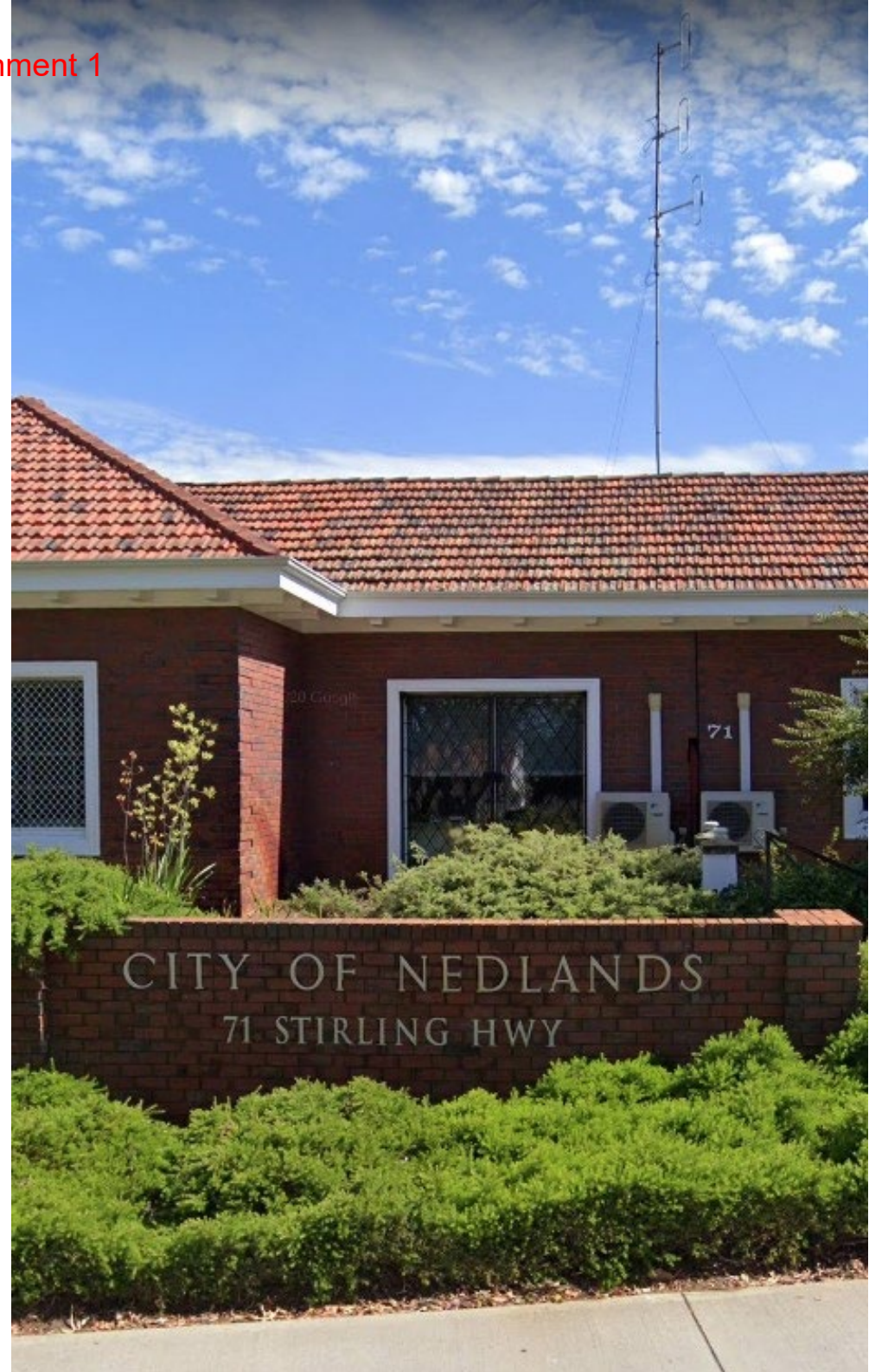
Nil.



AUDIT AND RISK COMMITTEE
MEETING AGENDA PAPER

**CITY OF NEDLANDS
INTERNAL AUDIT**

13 NOVEMBER 2023



Internal Audit Report

1. Recommendation

That the Audit and Risk Committee (“ARC”):

- note the status of the City’s Strategic Internal Audit Plan for FY2024 and FY2025 (Refer to [Section 2](#))
- note the Audit Log information, insights, trends, and recommendations for Management included in this report. (Refer to [Section 3](#))
- note the publications which may be of interest to the Audit and Risk Committee (Refer to [Section 4](#))
- note the Office of the Auditor General (OAG) Tabled Reports since the last Audit and Risk Committee meeting. (Refer to [Section 5](#))

2. Annual Internal Audit Plan for FY2024 and FY2025

Moore Australia WA present to you the status of the Annual Internal Audit Plan for FY2024 and FY2025, including details of finalised, in progress and not started internal audit engagements.

A) Annual Internal Audit Plan – FY2024

Table 1 below presents the status of the City’s Annual Internal Audit Plan for FY2024, including details of finalised, not started, in progress and deferred internal audit engagements, if any.

No	Audit Topic	Financial Year	Status Update	Status
1	Procurement	2024	This Statement of Scope has been sent to the Director Corporate Services on 2 October 2023. Fieldwork has not commenced.	Not Started
2	Cybersecurity	2024	This Statement of Scope has been sent to the Director Corporate Services on 2 October 2023. Fieldwork has not commenced.	Not Started
3	Delegation of Authority	2024	This Statement of Scope has been sent to the Director Corporate Services on 2 October 2023. Fieldwork has not commenced.	Not Started
4	Waste Management	2024	The Statement of Scope was signed on 12 October 2023. Fieldwork has commenced and the final report will be tabled at the next Audit and Risk Committee meeting.	In Progress

Table 1: Status of FY2024 Internal Audit Engagements at 13 November 2023

2. Annual Internal Audit Plan for FY24 and FY25 (continued)

B) Annual Internal Audit Plan – FY2025

Table 2 below presents the status of the City’s Annual Internal Audit Plan for FY2025, including details of finalised, not started, in progress and deferred internal audit engagements, if any.

No	Audit Topic	Financial Year	Status Update	Status
1	Emergency Management	2025	This engagement has not commenced as it is scheduled for the following financial year.	Not Started
2	Fraud and Corruption (including Public Interest Disclosures)	2025	This engagement has not commenced as it is scheduled for the following financial year.	Not Started
3	Complaints Management	2025	This engagement has not commenced as it is scheduled for the following financial year.	Not Started
4	Policy Framework	2025	This engagement has not commenced as it is scheduled for the following financial year.	Not Started
5	Community Engagement and Development	2025	This engagement has not commenced as it is scheduled for the following financial year.	Not Started
6	Infrastructure Management	2025	This engagement has not commenced as it is scheduled for the following financial year.	Not Started

Table 2: Status of FY2025 Internal Audit Engagements at 13 November 2023

3. Audit Log

Moore Australia WA have been validating the implementation of the internal audit recommendations since our appointment. Within this report we have provided the following for your information:

- a) Composition of the Audit Log – Audit Type
- b) Status of the Audit Log - Progress
- c) Recommendations Status – Audit Topic
- d) Recommendations Status – Area
- e) Recommendations Status – Responsible Officer
- f) Open Recommendations – Risk-Rating
- g) Details of Open Recommendations – High Risk Ratings

a) Composition of the Audit Log- Audit Type

At the 13 November 2023, the City’s Audit Log contains two-hundred-forty-three (243) recommendations through audit activities.

Those 243 recommendations are sourced from internal audits (196), OAG performance audits (22), and OAG financial audits (25).

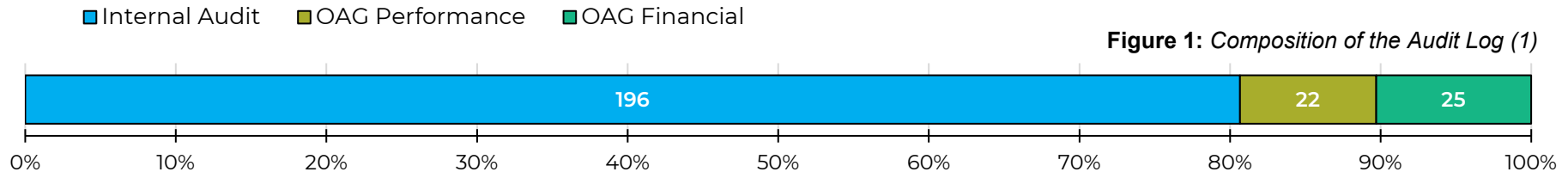


Figure 1: Composition of the Audit Log (1)

Of the total 243 recommendations, 125 (51%) of those have been validated as complete by Moore Australia – with the remaining 118 (49%) recommendations as open.

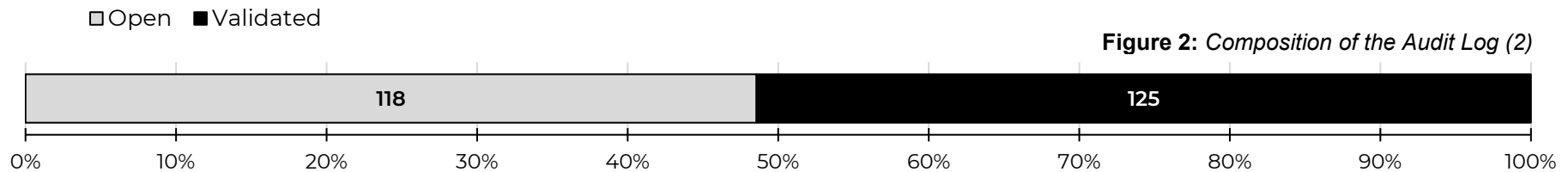


Figure 2: Composition of the Audit Log (2)

3. Audit Log (continued)

b) Status of the Audit Log

At 13 November 2023, the City had 243 recommendations through audit activities. They are summarised in **Table 3**.

Since the last report presented in August 2023 which the City had 193 recommendations;

- fifty (50) new recommendations have been added to the log from the planning approvals (+20) and workforce management (+28) audits, and an existing recommendation from the 2022 risk management audit has also been split into three items (+2) in the log as agreed with Management. Ten (10) of these new recommendations have already reported progress, three (3) of which have also been validated; and
- thirty-two (32) recommendations have been validated by Moore Australia as complete and recommended for closure.

Status	8 August 2023		13 November 2023	
	#	%	#	%
New (Not in Period)	50	-	-	-
Not Started	21	11%	44	18%
In Progress	65	34%	54	22%
Pending Evidence	14	7%	20	8%
Sub-Total (Open)	100	52%	118	49%
Validated / Closed	93	48%	125	51%
Total (*Excluding New)	193*	100%	243	100%

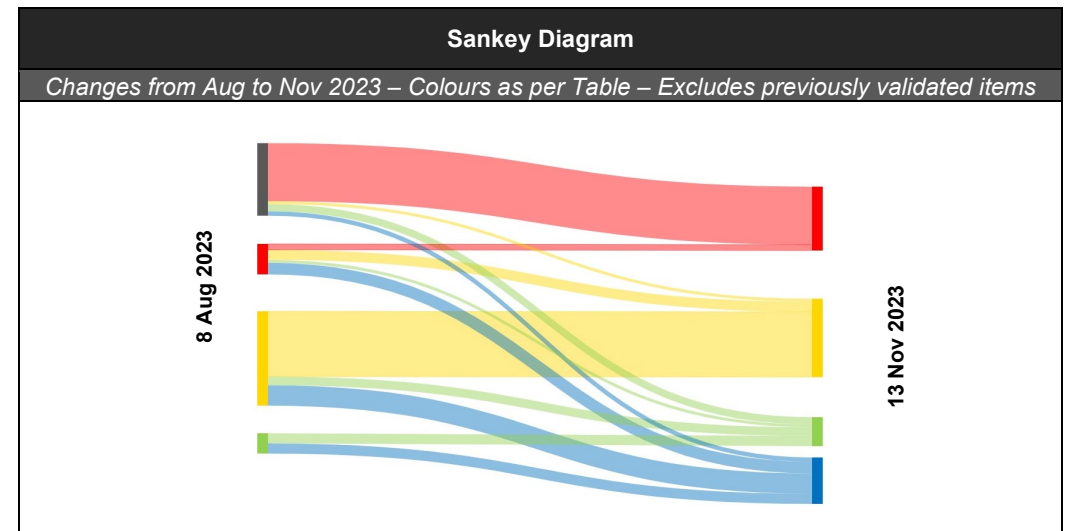


Table 3: Status of Audit Log at 13 November 2023

3. Audit Log (continued)

c) Recommendations Status – Audit Topic

Figure 3 provides a breakdown of the status of all two-hundred-forty-three (243) recommendations per audit topic† – including the thirty-two (32) items closed this period.

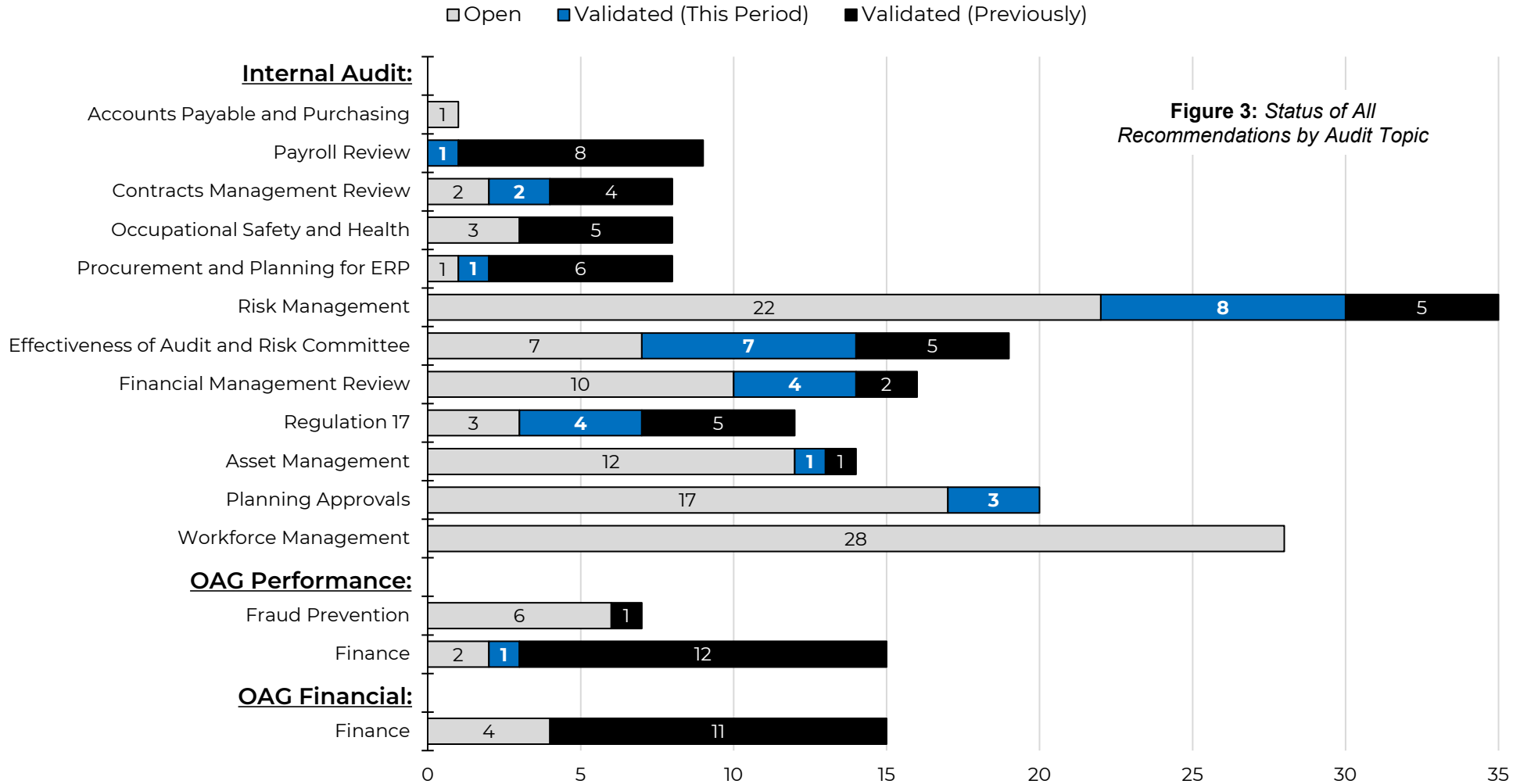


Figure 3: Status of All Recommendations by Audit Topic

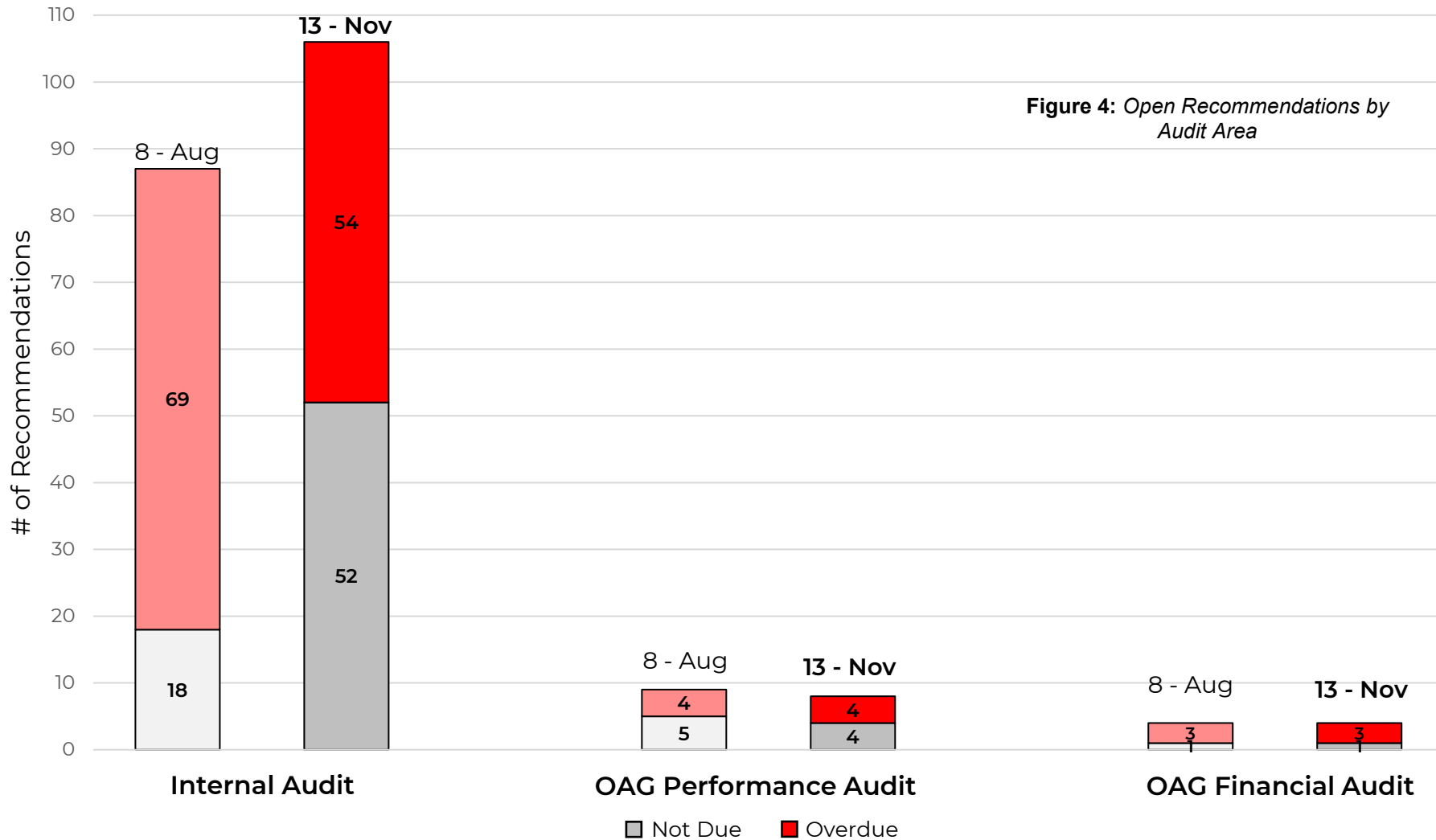
† Excludes previously fully closed audits:

Internal Audits: IT Policy Review (2), Business Continuity Review (7), Records Management (9). **OAG Financial:** Procurement (6), IT (2), HR (2).

3. Audit Log (continued)

d) Recommendations Status – Area

Figure 4 below provides the status of the one-hundred-eighteen (118) open recommendations from each audit area. The composition is Internal Audit (106) OAG Performance Audit (8) and OAG Financial Audit (4) equalling 118.



3. Audit Log (continued)

e) Recommendations Status – Responsible Officer

Figure 5 below provides a breakdown of the status of the one-hundred-eighteen (118) open recommendations per Responsible Officer.

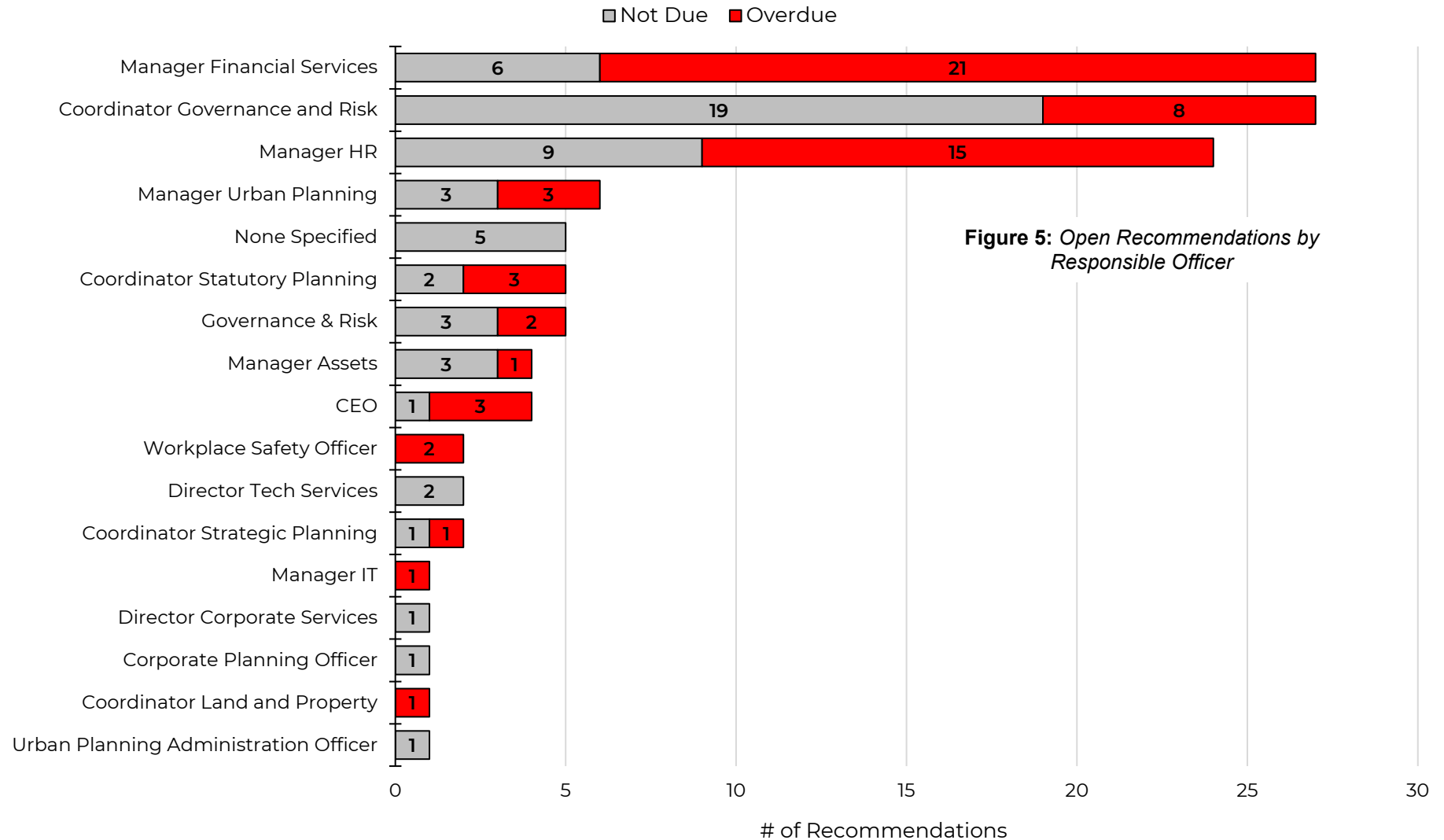


Figure 5: Open Recommendations by Responsible Officer

3. Audit Log (continued)

f) Open Recommendations – Risk Rating

The diagrams below provide a breakdown of open recommendations per **Risk Rating**. Moore Australia use our own Risk Rating Scale which is provided in **Appendix 1** for ease of access.

N.B. – OAG Performance Audit Recommendations are not included as they did not include Risk Ratings.

Specifically for the Internal Audit items: we note the majority of open recommendations, sixty-three (63) (59%), have a Medium-Risk Rating, followed by thirty-three (33) (31%) as Low, followed by ten (10) (10%) with a High-Risk Rating.

We recommend that significant effort should be given to the High-Risk rated recommendations and to close these out as a matter of priority, followed by the Medium Risk rated and Low Risk rated Items.

Figure 6: Open Internal Audit Recommendations by Risk Rating

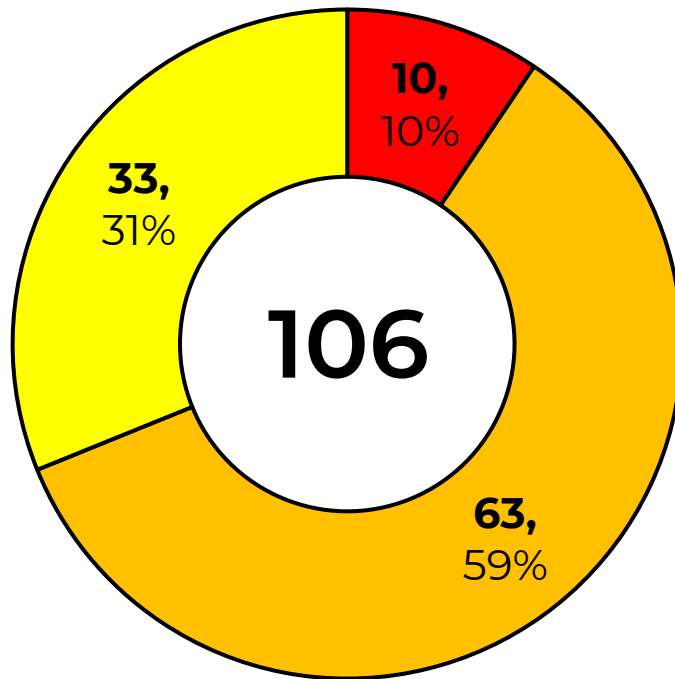
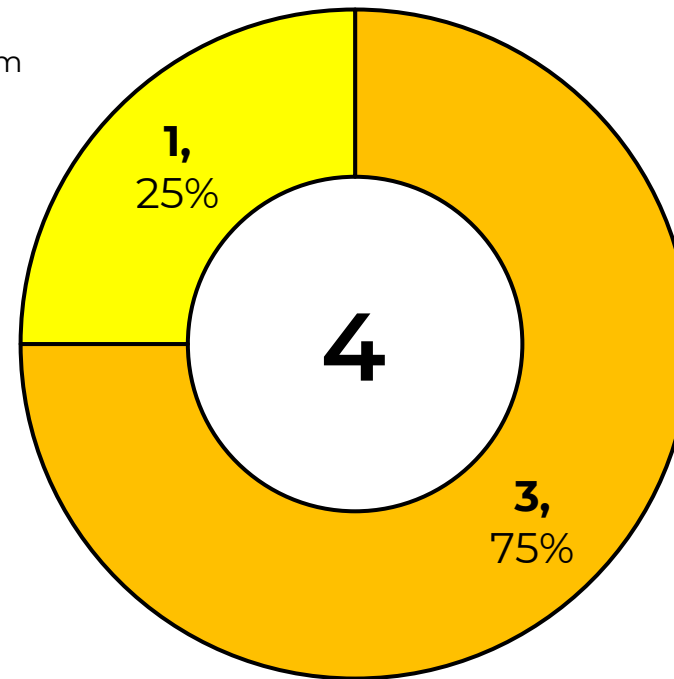


Figure 7: Open OAG Mgmt. Letter Recommendations by Risk Rating

■ High
■ Medium
■ Low



3. Audit Log (continued)

g) Details of Open Recommendations – High Risk Ratings

Below is a list of the ten (10) **High-Risk** open recommendations (previously fourteen (14)) were reported in August 2023) per audit topic and status of each recommendation:

ID	Audit Topic	Agreed Action	Rec Owner	Due Date	Days Overdue	Status
47	Occupational Safety and Health	The City should: 1) clearly document the key roles including competency and key training requirements; 2) investigate the training status and competency of staff in key OSH related positions; 3) recruit and have acting people in these roles only when they meet these key competencies and training requirements 4) update relevant staff training and certification on MYOSH (i.e. the City's system for OSH) 5) establish a City central register for each site on the OSH related training. For example first aid certifications, fire warden training and other related certifications); and 6) monitor expiry dates and ensure that qualifications are renewed and refresher training on a regular basis or when legislative requirements change.	Manager HR	30-Apr-22	562	In Progress
49	Occupational Safety and Health	The City should: 1) develop KPI's for monitoring OSH outcomes; 2) ensure KPI's are approved by the EMT; 3) determine the frequency and method of monitoring its progress against the stated objectives; and 4) regularly monitor; and report to the EMT and the Audit and Risk Committee the achievement of the OSH outcomes	Workplace Safety Officer	30-Apr-22	562	In Progress
29	Contracts Management Review	Regular Executive Reporting to Executive and the Audit and Risk Committee should take place.	Manager Financial Services	31-Aug-22	439	In Progress
30	Contracts Management Review	A Risk register should be developed	Manager Financial Services	31-Aug-22	439	In Progress
52	Procurement and Planning for implementation of ERP system Audit	The City should ensure that project risks are adequately considered during procurement by: 1) requiring the development of a Project Risk Management Plan, Procurement and Probity Plan early in the procurement process; and 2) project teams consider the need for a probity advisor for high value and complex procurements. Where this is not required reasons should be clearly documented.	Manager Financial Services	31-Aug-22	439	Pending Evidence

ID	Audit Topic	Agreed Action	Rec Owner	Due Date	Days Overdue	Status
106	Effectiveness of Audit and Risk Committee	Review the Terms of Reference to achieve a contemporary version which meets legislative compliance requirements and aligned to better practice principles.	Coordinator Governance and Risk	31-Mar-23	227	In Progress
140	Regulation 17	Develop a Legislative Compliance Framework, Legislative Compliance Policy, Legislative Compliance Procedure and Legislative Compliance Register, Non-Compliance Register for the legislative compliance activities. Also identify Legislative Compliance Owners for specific legislation and retain evidence to support compliance.	Coordinator Governance and Risk	30-Jun-23	136	Pending Evidence
84	Risk Management	Develop, approve, monitor and report on a Risk Appetite, Risk Tolerance within the City and then consider these in relation to the Residual Risk rating and whether the City are within the Risk Appetite and Risk Tolerance.	Coordinator Governance and Risk	31-Mar-24	-	In Progress
85	Risk Management	Develop, maintain, review, monitor and report a Risk Management Framework in accordance with relevant legislation and standards.	Coordinator Governance and Risk	31-Mar-24	-	In Progress
89	Risk Management	Development and approve a comprehensive Fraud and Corruption Control Framework, Fraud and Corruption Control Policy, Fraud and Corruption Control Procedure Fraud Risk Assessment, Fraud Risk Register, Fraud Incident Register which aligns to the Fraud and Corruption Control Standard.	Manager Financial Services	31-Mar-24	-	In Progress

Table 4: List of Open Recommendations – High Risk

4. Publications

Moore Australia has identified the following reports which may be of interest to Management. This is presented in **Table 5** below.

Organisation and Report	Details	Issue Date
Public Sector Commission Commissioner's Instruction 40: Ethical Foundations	The public sector is built on a strong foundation of integrity where employees act ethically and public sector bodies promote and maintain integrity.	2 October 2023
Public Sector Commission Management of Conflicts of Interest by Public Authorities	Promoting and maintaining the highest levels of integrity reinforce confidence that the decisions and actions of those working in the government sector are taken in the interests of the Western Australian community.	1 September 2023
Treasury (WA) Supporting Continuous Improvement in ESG Outcomes for Western Australia	WA Government updates ESG Information Pack on key policy commitments and actions in progress to achieve continuous improvement in social and environmental outcomes for Western Australia.	5 July 2023
Office of the Auditor General WA (OAG) Audit Readiness – Better Practice Guide	<p>To assist WA public sector entities be better prepared for their annual financial audit, we have prepared an Audit Readiness – Better Practice Guide.</p> <p>The guide is complemented by an online audit readiness tool, including video presentations and templates.</p> <p>It is hoped the new guide and resources will lead to a smoother and more efficient audit process.</p>	30 June 2023

Table 5: Publications Which May be of Interest.

5. Office of the Auditor General

A role of internal audit is to help Management to identify where risks are and to identify the controls and treatment actions in place to mitigate those risks, or to report the lack of these controls and treatment actions. A risk for all State and Local Government entities is the risk the Auditor General will perform a performance audit and report the results to Parliament which depending on the results, may identify significant un-identified risks and affect the credibility with Parliament, the community, and other stakeholders. Moore Australia assist our clients to be “audit ready” to reduce their credibility risk.

5.1 Tabled Reports

Tabled Auditor General reports can provide an opportunity for State and Local Government entities to assess their policy framework and practice and to identify areas where improvements can be made. It can also identify internal audit topics which may be useful to include in the Strategic Internal Audit Plan. Set out below in **Table 6**. are the Auditor General recently tabled reports. This excludes Section 82 Financial Management Act Ministerial Notifications Reports. These reports may be of interest to Management.

Tabled Reports	Date
Electricity Generation and Retail Corporation (Synergy)	8 November 2023
Management of the Road Trauma Trust Account	17 October 2023
2023 Transparency Report: Major Projects	2 October 2023
Annual Report 2022-2023	27 September 2023
Triple Zero	22 September 2023
Staff Exit Controls for Government Trading Enterprises	13 September 2023
Financial Audit Results – Local Government 2021-22	23 August 2023
Electricity Generation and Retail Corporation (Synergy)	9 August 2023
Requisitioning of COVID-19 Hotels	9 August 2023

Table 6: Reports Recently Tabled by the Auditor General.

5. Office of the Auditor General (cont.)

5.2 Performance Audit Program

The OAG's forward performance audit topics can also be used to perform a self-assessment, to identify where there may be gaps within City of Nedlands, and where work needs to be performed to reduce your risks, including credibility risk. Set out below are the commenced audits with the anticipated tabling dates.

We provide here the link [Office of the Auditor General website](#) which identifies the audits that have commenced and their expected tabling date. The titles and anticipated tabling dates are detailed in **Table 7** below:

Performance Audit Title	Anticipated Tabling
Implementation of Essential Eight Cyber Security Controls (State)	Q4 2023
Funding for Community Sport and Recreation (State)	Q4 2023
Implementation of the Earlier Intervention and Family Support Strategy (State)	Q4 2023
Government Campaign Advertising (State)	Q4 2023
Utilising Emergency Department Data (State)	Q4 2023
Better Practice Principles for Identity and Access Management (State and Local)	Q4 2023
Effectiveness of the Aboriginal Procurement Policy (State)	Q1 2024
Information Systems Audit – General Computer Controls (State)	Q1 2024
Information Systems Audit – General Computer Controls (Local)	Q1 2024

Table 7: Audit Reports included in the OAG Forward Audit Program.

6. Feedback

Moore Australia are happy to receive any feedback on the performance of the internal audit engagements. We can consider this feedback in the planning, execution, and reporting of future internal audits engagements.

7. Appreciation

We extend our appreciation to the Management and staff for their assistance provided to Moore Australia WA.:

8. Questions

Michelle Shafizadeh is unable to attend the meeting as she has a personal commitment. Brad Sillence will be attending the meeting to present the report and answer any questions the Audit and Risk Committee may have.

Appendix 1: Risk Ratings, Guidance and Action Required

Rating	Definition	Guidance	Action required
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	<ul style="list-style-type: none"> Material errors and departures from the organisation's policies and procedures. Financial management / accountability / probity concerns. Non-compliance with governing legislation and regulations may result in fines or other penalties. Collective impact of many moderate or low issues. 	<ul style="list-style-type: none"> Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance. A detailed plan of action to be approved by Management with resolution within 30 days.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to meet its objectives.	<ul style="list-style-type: none"> Events, operational, business, and financial risks could expose the organisation to losses could be marginally material to the organisation. Departures from best practice management procedures, processes. 	<ul style="list-style-type: none"> Requires substantial management intervention and may require possible external assistance. Timeframe for action is subject to competing priorities and cost benefit analysis but should not exceed 3 months.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> Events, operational and business risks could expose the organisation to losses which are not material due to the low probability of occurrence of the event and insignificant impact on the operating capacity, reputation, and regulatory compliance. Departures from management procedures, processes, however, appropriate monitoring and governance generally mitigates these risks. 	<ul style="list-style-type: none"> Requires management attention and possible use of external resources. Minor treatment is desirable. Action should be completed within 6 months.

CONTACT US

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11. Date of Next Meeting

The date of the next meeting of the Audit & Risk Committee Meeting will be advised.

12. Declaration of Closure

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