**Minutes**

**Audit & Risk Committee Meeting**

**21 November 2022**

**ATTENTION**

This is a Committee which has only made recommendations to Council. No action should be taken on any recommendation contained in these Minutes. The Council resolution pertaining to an item will be made at the next Ordinary Meeting of Council following this meeting.

**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 or council@nedlands.wa.gov.au

**Public Question Time**

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

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

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

**Addresses by Members of the Public**

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

The Presiding Member will determine the order of speakers to address the Council and the number of speakers is to be limited to 2 in support and 2 against any 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 Committee meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council’s position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

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# Declaration of Opening

The Chief Executive Officer declared the meeting open at 5:30pm and drew attention to the disclaimer below.

In the absence of the Presiding Member the Chief Executive Officer call for nominations for the appointment of Presiding Member for this meeting only.

Nominations received:

1. Councillor Amiry was nominated via email by Councillor L J McManus prior to the meeting.

**There being only one nomination Councillor Amiry was elected as the Presiding Member for this meeting only.**

**Councillor Amiry assumed the Chair of the Audit & Risk Committee.**

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

**Councillors** Mayor F E M Argyle

 Councillor R Senathirajah Melvista Ward

 Councillor H Amiry Coastal Districts Ward

 Councillor A W Mangano Dalkeith Ward

 Councillor O Combes Hollywood Ward

 Councillor F Bennett (arrived 5:35pm) Dalkeith Ward

 Councillor K Smyth (online) Coastal Districts Ward

**Staff** Mr W R Parker Chief Executive Officer

 Mr M R Cole Director Corporate Services

 Ms N L McGill PA to Director Corporate Services

 Mr T Benson Manager ICT

**Invited** Ms M Shafizadeh Director Governance & Risk Moore Australia

**Guests** Mr N Goosen Associate Director Moore Australia

Mr A Quahe Managing Principal Civic Legal

**Observers** Councillor F Bennett (arrived 5:35pm) Dalkeith Ward

 Councillor K Smyth (online) Coastal Districts Ward

**Public** There were no members of the public present and two online.

**Press** Nil.

**Leave of Absence** Nil.

**(Previously Approved)**

**Apologies** Councillor L J McManus Coastal Districts Ward

# Public Question Time

Public questions submitted to be read at this point.

Nil.

# Addresses by Members of the Public

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

Nil.

# Disclosures of Financial Interest

The Presiding Member reminded 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.

There were no disclosures of financial interest.

# Disclosures of Interests Affecting Impartiality

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

There were no disclosures affecting impartiality.

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

Nil.

# Confirmation of Minutes

* 1. **Audit & Risk Committee Meeting Minutes – 17 October 2022**

Moved – Councillor Combes

Seconded – Councillor Senathirajah

The Minutes of the Audit & Risk Committee Meeting 17 October 2022 are to be accepted as a true and correct record of that meeting.

**CARRIED 4/1**

**(Against: Cr. Mangano)**

# Items for Discussion

* 1. **ARC20.11.22 Review Findings – Code of Conduct and Complaints Handling Policy**

|  |  |
| --- | --- |
| **Meeting & Date** | Audit & Risk Committee – 21 November 2022 |
| **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. Confidential – Letter of advice on complaints policy
2. Confidential – Review table for Complaints Handling Policy and Code of Conduct
 |

Closure of Meeting to the Public

Moved – Mayor Argyle

Seconded - Councillor Mangano

**That the meeting be closed to the public in accordance with Section 5.23 (d) of the Local Government Act 1995 to allow confidential discussion on the following Items.**

**CARRIED UNANIMOUSLY 5/-**

Moved - Mayor Argyle

Seconded - Councillor Combes

**That the meeting be reopened to members of the public and the press.**

**CARRIED UNANIMOUSLY 5/-**

The meeting was reopened to members of the public and the press at 6:18pm.

**Regulation 11(da) - The Committee requested the Code of Conduct Complaints Handling Policy be referred to a concept forum for review based on the legal advice received from Civic Legal dated 4th November 2022.**

Moved – Councillor Combes

Seconded – Councillor Senathirajah

**That the Recommendation be adopted.**

(Printed below for ease of reference)

**CARRIED 4/1**

**(Against: Cr. Mangano)**

**Recommendation**

**That the Audit and Risk Committee notes the independent professional advice received.**

Moved – Councillor Senathirajah

Seconded – Mayor Argyle

**That the Recommendation be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 5/-**

**Committee Recommendation**

**That the Audit and Risk Committee refers the code of conduct complaints handling policy to a concept forum for review based on the legal advice received from Civic Legal dated 4th November 2022.**

**Purpose**

Council has requested the Audit and Risk Committee consider if the City's complaints policy creates a risk by contributing to an unsafe workplace for Councillors and a defamation risk to the Council and the City. Independent professional advice was subsequently sought by the Committee.

**Voting Requirement**

Simple Majority

**Background**

Council has requested the Audit and Risk Committee consider if the City's complaints policy creates a risk by contributing to an unsafe workplace for Councillors and a defamation risk to the Council and the City.

At their meeting of 26 August 2022, the Audit and Risk Committee requested the Chief Executive Officer seek independent professional advice in relation to the City of Nedlands Complaint Handling policy for areas of discretion to aid the development of a revised policy which minimises risk to the City and Council.

**Discussion**

Civic Legal were engaged by the CEO to provide independent professional advice. The advice is contained in the confidential attachments to this report.

Mr A Quahe from Civic Legal will be attending the meeting and will be able to address any matters raised by the Committee.

Direction from the Committee is requested on any future action that is to be taken. Such action could include referring this item to a Concept Forum to consider any proposed amendments to the current policy.

**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.

**Budget/Financial Implications**

There are no budget or financial implications in this report. Depending on the Committee’s direction, legal advice may be required that can be funded from within existing resources.

**Legislative and Policy Implications**

*Clause 15(2) of the* [*Local Government (Model Code of Conduct) Regulations 2021*](https://www.legislation.wa.gov.au/legislation/prod/filestore.nsf/FileURL/mrdoc_43670.pdf/%24FILE/Local%20Government%20%28Model%20Code%20of%20Conduct%29%20Regulations%202021%20-%20%5B00-a0-01%5D.pdf?OpenElement)and to determine the procedure for dealing with complaints.

**Decision Implications**

Subject to Committee’s recommendation, further legal advice may be sought to clarify any concerns the Committee may raise.

**Conclusion**

Direction is requested from the Committee on further action required to be taken.

**Further Information**

Nil.

* 1. **ARC21.11.22 Internal Audit Report – Effectiveness of the Audit and Risk Committee**

|  |  |
| --- | --- |
| **Meeting & Date** | Audit & Risk Committee – 21 November 2022 |
| **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. Internal Audit – Effectiveness of the Audit Risk Committee |

Councillor Mangano left the meeting at 6.18pm and returned at 6:19pm.

Director Cole departed at 6:18pm and returned at 6:19pm with Ms M Shafizadeh and Mr N Goosen from Moore Australia.

**Regulation 11(da) - The Committee requested dashboards from the OneCouncil system to assist them in their role and requested the Chief Executive Officer present a financial management dashboard to the next committee meeting.**

Moved – Councillor Senathirajah

Seconded – Councillor Combes

**That the Recommendation be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 5/-**

**Committee Recommendation / Recommendation**

**The Audit and Risk Committee:**

1. **receives the report and notes the findings, recommendations of the Audit; and**
2. **notes and the management comments and agreed actions.**
3. **request the Chief Executive Officer present a financial management dashboard to the next committee meeting**

**Purpose**

This report provides the findings and recommendations from the audit of the Effectiveness of the Audit Risk Committee conducted by Moore Australia.

**Voting Requirement**

Simple Majority.

**Background**

Moore Australia as the City’s appointed Internal Auditors conducted a review of the Effectiveness of the Audit and Risk Committee. Moore’s audit was conducted with input from City personnel. The draft findings and recommendations were raised with members of the Audit and Risk Committee before the report was finalised. The attached report contains details of the findings, issues raised, management comments and agreed actions.

**Discussion**

The final report contains the findings from Moore Australia together with management comments for each finding.

The audit findings are noted and were accepted agreed actions have been provided.

The report and its findings are presented to the Committee.

**Consultation**

Over the period of the audit, City staff members were interviewed and consulted with by the Moore Australia audit team. The draft report was presented to the Audit and Risk Committee meeting of 17 October with feedback from Committee members incorporated into the Management’s responses.

**Strategic Implications**

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

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**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**

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

**Legislative and Policy Implications**

Nil.

**Decision Implications**

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

**Conclusion**

The report, findings, recommendations and agreed actions are presented to the Audit and Risk Committee for noting. The Administration will implement all agreed actions as outlined in the report.

**Further Information**

Nil.

* 1. **ARC22.11.22 OneCouncil Project Statues Report #5**

|  |  |
| --- | --- |
| **Meeting & Date** | Audit & Risk Committee – 21 November 2022 |
| **Applicant** | City of Nedlands |
| **Employee Disclosure under section 5.70 Local Government Act 1995**  | Nil. |
| **Report Author** | Tony Benson – Manager ICT |
| **Director** | Michael Cole – Director Corporate Services |
| **Attachments** | Nil. |

**Regulation 11(da) - The Committee requested a live demonstration of the ERP at the first available concept forum in 2023.**

Moved – Councillor Combes

Seconded – Mayor Argyle

**That the Recommendation be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 5/-**

**Committee Recommendation / Recommendation**

**That the Audit & Risk Committee receives the Report and requests a live demonstration of the ERP at the first available concept forum in 2023.**

**Purpose**

The purpose of this report is to present a Project Status Report on the continuing implementation of the City’s Enterprise Resource Planning System - OneCouncil.

**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”.

Following the Council resolutions made at the Ordinary Council Meeting dated 22nd June 2021, the City entered into a contract with TechnologyOne to purchase their Enterprise Resource Planning System, called OneCouncil.

As previously detailed, the OneCouncil implementation project has been split into three (3) phases over three (3) years using a standard project management methodology as per the following.



**Discussion**

This is the fifth such report but the first regarding Phase 2. An end of Phase 1 report was presented and received during at the previous Committee meeting (16/08/2022).

As previously detailed, Phase 2 is more a rolling schedule of enablement of additional functions and features within the OneCouncil suite rather than a defined line in the sand delivery.

**Phase Two Deliverables**

Building upon the foundation laid during Phase one, Phase 2 has a strong focus on ‘Works and Assets’ and ‘Corporate Performance Planning’ with a rolling program of delivery throughout the financial year.

Broadly, the areas of delivery can be split into two categories. ‘Major’ indicates that the process involves significant effort from the Vendor, the Project Team, and General Staff. ‘Minor’ will be delivered internally without requiring significant consultancy effort from the vendor but still requiring internal and project team resources.

**Tollgates of Delivery**

All modules, regardless of size, will follow the same staged approach, as depicted below, for delivery.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Type** | **Item** | **Description** | **Planned Start** | **Estimated Delivery** | **Current Stage** |
| Major | Asset Lifecycle Management | This is a significant topic which will afford the assets team greater transparency of information whilst also enabling a more flexible work process | August 2022 | July 2023 | 2 |
| Major | Enterprise Budgeting | Enablement of the oneCouncil native budgeting process which tightly integrates with the finance components | September 2022 | January 2023 | 3 |
| Minor | Contract Management | Held over from Phase One; the enablement of OneCouncil as the principal store for all information related to the City’s contracts | October 2022 | July 2023 | 1 |
| Major | Corporate Performance Planning | Representation of the Corporate Business Plan within the OneCouncil framework for transparency and reporting | January 2023 | July 2023 | NA |
| Major | Minutes and Agenda Management | Streamlined management and availability of Council Meeting Minutes including associated documentation | April 2023 | July 2023 | NA |
| Minor | Credit Card Expense Management | Transition to OneCouncil purchase card management | January 2023 | April 2023 | NA |

**Phase Two Progress Commentary**

|  |  |  |
| --- | --- | --- |
| **KPI** | **Status** | **Comments** |
| **Schedule** |  | * Scheduling is more flexible in phase two.
* 6 modules to be delivered, 3 underway, remainder scheduled
* No concerns currently
 |
| **Resources** |  | * This remains an area of concern.
* Change and Project administration resources are to be appointed during Q2
 |
| **Risks** |  | * The desire to run, before we can walk is presenting challenges to resource allocation
 |
| **Scope** |  | * No concerns at this time
 |

|  |  |
| --- | --- |
| **Legend** | **Description** |
|  | Attention required. |
|  | Potential impact on project. |
|  | No issues. |

**Phase Two Budget Update**



The above variances are based upon the Full Year forecast. However, the forecast figures will be higher than shown as the following items are not yet present

* Project Administration Resources
* Change Management Resources
* Additional TechnologyOne Project Management costs regarding planning and design for Phase Three

**Phase Three – Property, Rating and Revenue**

Phase 3 contains a single item for delivery, the transition to the ‘P&R’ suite. This covers most revenue generation methods for the City (Rates, Fees, and Charges); the size of which should not be underestimated.

Project Planning for this phase will commence in Q2 FY2223 despite delivery not being estimated until the start of FY2024/25.

It should also be noted that several Western Australian Local Governments are either in the process of completing the same transition or starting a similar journey to the City. This will have implications for resource availability both from the Vendor and from the market.

**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 Service**

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

**Great Governance and Civic Leadership**

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The City has adopted an Enterprise Resource Planning approach that sets the foundation for all organisational information technology systems and other supporting technologies. Investing in information systems and technology will provide the City of Nedlands with the requisite tools to plan, execute, and evaluate all existing and future operations.

**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**

This report has presented a Project Status Report on the continuing implementation of the City’s Enterprise Resource Planning System - OneCouncil.

**Further Information**

Nil.

* 1. **ARC23.11.22 – Update from Moore Australia**

|  |  |
| --- | --- |
| **Meeting & Date** | Audit & Risk Committee – 21 November 2022  |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under section 5.70 Local Government Act 1995**  | Nil.  |
| **Report Author** | Moore Australia |
| **Director** | Michael Cole – Director Corporate Services |
| **Attachments** | 1. Moore Australia (WA) Agenda Paper for ARC Meeting - November 2022
 |

**Regulation 11(da) - Not applicable - Recommendation adopted.**

Moved – Councillor Senathirajah

Seconded – Mayor Argyle

**That the Recommendation be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 5/-**

**Committee Recommendation / Recommendation**

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

**Purpose**

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

**Voting Requirement**

Simple Majority.

**Background**

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

**Consultation**

Nil.

**Strategic Implications**

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

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**Great Governance and Civic Leadership**

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**Priority Area**

Nil.

**Budget/Financial Implications**

There are no financial implications to this report.

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

**Decision Implications**

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

**Conclusion**

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

**Further Information**

Nil.

# In Camera

Allocated time for Committee to discuss items with Auditors without Administration or Public present.

Closure of Meeting to the Public

Moved – Councillor Mangano

Seconded – Mayor Argyle

**That the meeting be closed to the public in accordance with Section 5.23 (d) of the Local Government Act 1995 to allow confidential discussion on the following Items.**

**CARRIED UNANIMOUSLY 5/-**

Moved - Councillor Senathirajah

Seconded - Mayor Argyle

**That the meeting be reopened to members of the public and the press.**

**CARRIED UNANIMOUSLY 5/-**

The meeting was reopened to members of the public and the press at 7.27pm.

# Date of Next Meeting

The date of the next meeting of the Audit & Risk Committee Meeting will be on Monday 20 February at 5.30pm.

# Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 7:27pm.