**Agenda**

**Audit & Risk Committee Meeting**

**21 November 2022**

**Notice of Meeting**

**To Mayor & Councillors**

A Meeting of the Audit & Risk Committee of the City of Nedlands is to be held on 21 November 2022 in the Council chambers at 71 Stirling Highway Nedlands commencing at 5:30pm.

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



Director Corporate Services

17 November 2022

**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](mailto: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.

**Table of Contents**

[1. Declaration of Opening 4](#_Toc119581460)

[2. Present and Apologies and Leave of Absence (Previously Approved) 4](#_Toc119581461)

[3. Public Question Time 4](#_Toc119581462)

[4. Addresses by Members of the Public 4](#_Toc119581463)

[5. Disclosures of Financial Interest 4](#_Toc119581464)

[6. Disclosures of Interests Affecting Impartiality 5](#_Toc119581465)

[7. Declarations by Members That They Have Not Given Due Consideration to Papers 5](#_Toc119581466)

[8. Confirmation of Minutes 5](#_Toc119581467)

[9. Items for Discussion 6](#_Toc119581468)

[10. In Camera 20](#_Toc119581469)

[11. Date of Next Meeting 20](#_Toc119581470)

[12. Declaration of Closure 20](#_Toc119581471)

# Declaration of Opening

The Presiding Member will declare the meeting open at 5:30pm and will draw attention to the disclaimer below.

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

**Leave of Absence** Cr Leo McManus

**(Previously Approved)**

**Apologies** None

# Public Question Time

Public questions submitted to be read at this point.

# 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.

# 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.

# Disclosures of Interests 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.

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

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

# Confirmation of Minutes

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

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

# 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 |

**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.

**Recommendation**

**That the Audit and Risk Committee:**

1. **notes the independent professional advice received; and**
2. **provides direction on action required to be taken.**

**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/$FILE/Local%20Government%20(Model%20Code%20of%20Conduct)%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 |

**Purpose**

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

**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.**

**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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**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. |

**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.

**Recommendation**

**That the Audit & Risk Committee receives the 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”.

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.

Diagram

Description automatically generated

**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**

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.

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 |

**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 received the agenda paper from Moore Australia.**

**Voting Requirement**

Simple Majority

**Background**

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

**Consultation**

Nil.

**Strategic Implications**

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

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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.

# 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 will declare the meeting closed.