City of Nedlands
ABN 92 614 728 214
nedlands.wa.gov.au

28 November 2025

Ms Hannah Beazley MLA
Minster of Local Government
7th Floor, Dumas House,
2 Havelock Street
WEST PERTH 6005

Email: minister.beazley@dpc.wa.gov.au

Dear Minister Beazley,

Significant Matters Identified During the 2023/24 Financial Audit

The Office of the Auditor General (OAG) has completed the City of Nedlands' financial audit for the 2023/24 financial year. In its report issued to the City on 3 September 2025, the OAG identified one significant financial matter and three significant information technology matters requiring attention.

In accordance with section 7.12A(4) of the *Local Government Act 1995*, the City is required to prepare a report to the Minister within three months of receiving the audit report. This letter outlines the matters raised and the actions taken or planned to address them. A copy of this correspondence will be published on the City's website within 14 days of submission, as required.

The City takes these findings seriously and will continue to monitor progress through quarterly reporting to the Audit, Risk and Improvement Committee.

1. Property, Plant and Equipment (PP&E) and Infrastructure Controls

Auditor's Finding

The City is currently transitioning from the Civica Authority ERP system to TechOne. The fixed asset module, intended to be operational from 1 July 2023, was not fully implemented during the 2023/24 financial year. As a result, fixed asset registers, reconciliations, capitalisation processes and depreciation postings were not consistently undertaken.

Management Response

A phased program is underway to fully implement the OneCouncil Asset Module, requiring significant configuration and operational input. The Microsoft Excel register will continue to serve as the supporting register until implementation is complete.

Key milestones are:

- 31 October 2025: Balance sheet reconciliations and process improvements (FY25 year-end close).
- 30 June 2026: PP&E asset module implementation.
- 30 June 2027: Infrastructure assets implementation.

A policy for internal labour capitalisation will also be developed as part of the FY25 year-end process.

2. TechOne Access Management

Auditor's Finding

The audit identified deficiencies in user onboarding approvals, terminated account management, generic account documentation, and absence of formalised user access reviews.

Management Response

The City has implemented stronger access governance measures, including:

- Improved onboarding and offboarding processes integrated with Active Directory.
- A dashboard providing visibility of user roles.
- Clear documentation and justification for generic accounts.
- Weekly user access reviews with an auditable evidence trail.

Completion date: June 2025.

This item was completed in June 2025 and is awaiting review

3. Network Access Management

Auditor's Finding

Similar issues were identified relating to user onboarding approvals, dormant accounts, and insufficient evidence of user access reviews.

Management Response

Improvements implemented include:

- Updated onboarding and offboarding procedures.
- Automated alerts for dormant accounts.
- A TechOne-integrated dashboard reconciling HR records with Active Directory accounts.

Completion date: June 2025.

This item was completed in June 2025 and is awaiting review

4. Network Security Management

Auditor's Finding

The audit identified deficiencies including the absence of Data Loss Prevention (DLP) controls, inconsistent vulnerability review processes, lack of documented remediation actions, and no formal firewall review process.

Management Response

The City acknowledges limited progress in this area to date; however, remediation has been prioritised for FY25/26. Planned actions include:

- Implementation of DLP controls within Microsoft 365.
- Establishment of a formal vulnerability management framework.
- Documented and regular firewall rule reviews.
- Improved governance processes and reporting mechanisms.

Completion date: 30 June 2026.

This item has a completion date of June 2026, a number of key actions have been planned and are in progress

The City remains committed to resolving these matters with diligence and transparency. If further information is required, please do not hesitate to contact me.

Yours sincerely,

Arthur Kyron
Acting Chief Executive Officer
City of Nedlands

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