

MINUTES

Audit, Risk and Governance Committee Meeting

29 November 2021

Committee Members

Here within are the Minutes of the Audit, Risk and Governance Committee Meeting held Monday 29 November 2021 in the City of South Perth Council Chamber, corner Sandgate Street and South Terrace, South Perth.

As this Committee does not hold Delegated Powers or Duties in accordance with Section 5.23 of the Local Government Act 1995 the meeting was not open to the public.



MIKE BRADFORD
CHIEF EXECUTIVE OFFICER

1 December 2021

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Audit, Risk and Governance Committee Meeting - Minutes

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

With the positions of Presiding Member and Deputy Presiding Member vacant, the CEO declared the meeting open at 6.00pm and welcomed everyone in attendance.

1.1 ELECTION OF PRESIDING MEMBER

In accordance with Section 5.12 of the *Local Government Act 1995*, the Presiding Member for the Audit, Risk and Governance Committee was to be elected.

The CEO called for nominations for the position of Presiding Member.

Mayor Greg Milner nominated Councillor Blake D'Souza for the position. No other nominations were received. The CEO declared Councillor Blake D'Souza Presiding Member of the Audit, Risk and Governance Committee.

Councillor Blake D'Souza assumed the Chair.

1.2 ELECTION OF DEPUTY PRESIDING MEMBER

In accordance with Section 5.12 of the *Local Government Act 1995*, the Deputy Presiding Member for the Audit, Risk and Governance Committee was to be elected.

The Presiding Member called for nominations for the position of Deputy Presiding Member.

Councillor Ken Manolas nominated Mayor Greg Milner for the position. No other nominations were received. The Presiding Member declared Mayor Greg Milner Deputy Presiding Member of the Audit, Risk and Governance Committee.

2. ATTENDANCE

Elected Members

Mayor (Deputy Chair)
Como Ward
Manning Ward
Manning Ward (Chair)
Mill Point Ward
Mill Point Ward
Moresby Ward
Moresby Ward

Greg Milner
Councillor Glenn Cridland (from 6.12pm)
Councillor André Brender-A-Brandis
Councillor Blake D'Souza
Councillor Ken Manolas
Councillor Mary Choy (from 6.04pm)
Councillor Jennifer Nevard
Councillor Stephen Russell (from 6.09pm)

External Members

Mr Aswin Kumar
Ms Shona Zulsdorf

Officers

Chief Executive Officer	Mr Mike Bradford
Director Corporate Services	Mr Garry Adams
Director Infrastructure Services	Mr Mark Taylor
Manager Finance	Mr Abrie Lacock
Manager Governance	Ms Bernadine Tucker
Governance Coordinator	Ms Toni Fry
Governance Officer	Mr Morgan Hindle

Guests

Office of the Auditor General Paxon	Mr Jay Teichert Mr Cameron Palassis
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2.1 APOLOGIES

Nil.

2.2 APPROVED LEAVE OF ABSENCE

Nil.

3. DECLARATIONS OF INTEREST

Nil.

4. CONFIRMATION OF MINUTES

4.1 AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD: 14 September 2021

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Ken Manolas

Seconded: Mayor Greg Milner

That the Minutes of the Audit, Risk and Governance Committee Meeting held 14 September 2021 be taken as read and confirmed as a true and correct record.

CARRIED (7/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Blake D'Souza, Ken Manolas, Jennifer Nevard; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

5. PRESENTATIONS

Nil.

6. BUSINESS ARISING FROM PREVIOUS MEETING

Nil.

Items 7.2 and 7.3 were considered first as Mr Cameron Palassis from Paxon and Mr Jay Teichert were in attendance to answer questions relating to these items.

7. REPORTS

7.1 TERMS OF REFERENCE - AUDIT, RISK AND GOVERNANCE COMMITTEE

Location: Not Applicable
Ward: Not Applicable
Applicant: Not Applicable
File Ref: D-21-87632
Meeting Date: 15 November 2021
Author(s): Toni Fry, Governance Coordinator
Reporting Officer(s): Mike Bradford, Chief Executive Officer
Strategic Direction: Leadership: A visionary and influential local government
Council Strategy: 4.3 Good Governance

Summary

The Terms of Reference for the Audit, Risk and Governance Committee are presented for consideration by the Committee and referral to Council for adoption.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Councillor Blake D'Souza

That the Audit, Risk and Governance Committee recommends to Council that it adopts the Audit, Risk and Governance Terms of Reference as contained in **Attachment (a)**.

CARRIED (10/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

The Audit, Risk and Governance Committee Terms of Reference were considered by the Audit, Risk and Governance Committee on 18 November 2019 and endorsed by Council at its meeting held 26 November 2019. In line with best practice and good governance the Terms of Reference have been reviewed and amended as per **Attachment (a)** for consideration by the Committee and Council.

7.1 Terms of Reference - Audit, Risk and Governance Committee

Comment

The Terms of Reference provide:

- Officers with guidance on the type of reports that are eligible to be submitted to this particular Committee; and
- The Committee with its objectives, areas of responsibility and structure.

The Terms of Reference are to be reviewed in line with the appointment of Elected Members and external Committee Members to the Committee following the local government elections.

Consultation

Nil.

Policy and Legislative Implications

Section 5.8 of the *Local Government Act 1995* enables Council to establish a Committee.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

Attachments

7.1 (a): Terms of Reference - Audit, Risk and Governance Committee

Councillor Mary Choy arrived at 6.04pm, Councillor Stephen Russell arrived at 6.09pm and Councillor Glenn Cridland at 6.12pm during consideration of Item 7.2.

7.2 INTERNAL AUDIT REPORT - REGULATION 5 REVIEW

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-82134
Meeting Date:	15 November 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report tables the Internal Audit Report – Regulation 5 Review. In accordance with the Local Government (Financial Management) Regulations 1996 Regulation 5, the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government and report to the local government the results of those reviews. This review is also in accordance with the City’s Strategic Internal Audit Plan, which deals with these areas separately (separate headings). The report contains Paxon’s two detailed audit findings, with a number of notations and other observations.

The audit includes strengths, weaknesses, issues, risk ratings, recommendations and management comments.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf

Seconded: Mayor Greg Milner

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the Internal Audit Report – Regulation 5 Review contained in **Confidential Attachment (a)**; and
2. Accepts and adds the two recommendations contained in Section 5 of the Internal Audit Report – Regulation 5 Review to the Audit Register.

CARRIED (10/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D’Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

For each Internal Audit completed, the reports are presented to the Audit, Risk and Governance Committee (ARGC) and then Council for acceptance of the recommendations and detailed findings. Paxon attend the relevant ARGC meeting to respond to questions relating to the report. Management respond to Paxon's recommendations, in relation to their findings, and these are listed in the Audit Register.

Comment

The Internal Audit Report – Regulation 5 Review is a confidential report to be used for internal purposes to assist in improving business processes and systems. The report includes the strengths, weaknesses, issues, risk ratings, recommendations and management comments.

Internal Audit is an essential component of the City's continuous improvement process, findings and business improvement recommendations are welcome. The Regulation 5 Review report contains Paxon's two detailed findings with notations relating to possible efficiencies and other observations.

All items included in the Audit Register are reported at each subsequent ARGC meeting, including information relating to the progress of implementing the Agreed Management Actions, a percentage complete indicator and officer comments. As these issues are implemented, a recommendation will be included to close the item. Closed items will no longer be reported in the Audit Register to the ARGC, but will be accessible by the Internal and External Auditors to review compliance.

Consultation

Nil.

Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulations 1996 (CEO's duties as to financial management) and regulation 17 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

Financial Implications

The Internal Audit function has a budget of \$40,000 for the 2021/22 financial year and it is anticipated that a budget of a similar amount is to be adopted each year.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership
Aspiration: A visionary and influential local government
Outcome: 4.3 Good governance
Strategy: 4.3.1 Foster effective governance through quality decision-making

Attachments

7.2 (a): Internal Audit Report - Regulation 5 Review (*Confidential*)

7.3 CITY OF SOUTH PERTH ANNUAL FINANCIAL REPORT 2020/21

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-82013
Meeting Date:	15 November 2021
Author(s):	Abrie Lacock, Manager Finance
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report recommends that the Audit, Risk and Governance Committee recommend that Council adopt the 2020/21 Annual Financial Report, accept the Independent Auditor's Report included in the Annual Financial Report and the Office of the Auditor General Exit Brief.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Blake D'Souza
Seconded: Mayor Greg Milner

That the Audit, Risk and Governance Committee recommend to Council that it:

1. Adopt the Annual Financial Report shown at **Attachment (a)**;
2. Accepts the Independent Auditor's Report on the 2020/21 Annual Financial Report presented by the WA Auditor General included in the Annual Financial Report shown at **Attachment (a)**;
3. Accepts the WA Auditor General Annual Financial Audit Exit Brief shown at **Confidential Attachment (b)**.

CARRIED (10/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

The Department of Local Government, Sport and Cultural Industries (DLGSCI) Operational Guidelines Number 9 – Audit in Local Government, describe that the CEO is responsible to ensure the external audit (financial) report is provided to the Audit Risk and Governance Committee (ARGC) and recommending the Committee review the Annual Financial Report. This the fourth year that the City's external audit has been conducted by the WA Auditor General (OAG). The City of South Perth was one of the first (of three) Councils where the WA Auditor General conducted the external audit as part of the four year staged transition where all local governments are to be audited by the OAG by the 2020/21 financial year.

The 2020/21 Annual Financial Report shown at **Attachment (a)** provides the community with an open and accountable insight into how the City has performed against the adopted Annual Budget 2020/21 as the short term plan informed by the vision and strategic objectives outlined in the City's Strategic Community Plan 2020-2030.

Included in the Annual Financial Report on pages 2,3 and 4 in **Attachment (a)**, is the draft Independent Auditor's Report on the 30 June 2021 Annual Financial Report. The WA Auditor General has presented their findings in the Annual Financial Audit Exit Brief which is provided at **Confidential Attachment (b)**.

Comment

The Annual Financial Audit Exit Brief **Confidential Attachment (b)** at Part 3 titled "Issues Identified during the Audit" confirms that there were no issues identified during the financial audit to report on. It also describes that the additional Information Systems Audit fieldwork is close to completion and any findings will be communicated in a separate management letter which will be submitted to a future ARGC meeting.

Part 4 of the Exit Brief reports on "Other Legal and Regulatory Requirements" it identifies that similar to prior years the audit opinion will report on the City's negative Operating Surplus Ratio, regarded as a significant adverse trend. The Exit Brief specifies that the City's Operating Surplus Ratio is below the Department of Local Government Sport and Cultural Industries basic standard of 0.01 for the last three financial years. Council is well aware of this issue, which has been ongoing and has set a short to medium term (two to four years) goal of improving its Financial Health Indicator score (FHI), by specifically targeting the Operating Surplus Ratio.

Part 5 of the Exit Brief describes audit outcomes relating to risks identified during audit planning. This section confirms that all risks identified were adequately mitigated and addressed.

Part 6 of the Exit Brief describes unadjusted errors and misstatements which are immaterial and do not have an impact on the City's Annual Financial Report. The WA Auditor General has once again issued an unqualified opinion in the Independent Auditor's Report.

Officers recommend the ARGC receive the presentation by staff from the Office of the Auditor General and note the 2020/21 Annual Financial Report and the Annual Financial Audit Exit Brief.

The ARGC may make recommendations to Council, with Council required to accept the Annual Report, including the Annual Financial Report, for presentation to the Annual Electors General Meeting.

The Annual Financial Report and Independent Auditor's Report are complete. There may be minor layout and textual amendments (presentation amendments) to the Annual Financial Report prior to it being presented to the Elector's General Meeting, scheduled to be held 6.00pm Tuesday 8 February 2022.

Consultation

Nil.

Policy and Legislative Implications

Section 5.53(1) of the *Local Government Act 1995* requires a local government to prepare an annual report for each financial year. Section 5.53(2) of the *Local Government Act 1995* specifies that the Annual Report is to contain the financial report and auditor's statement for that financial year.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

Attachments

- 7.3 (a): Annual Financial Report for the year ended 30 June 2021
7.3 (b): Annual Financial Audit Exit Brief (*Confidential*)

7.4 1SYSTEM PROJECT

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-56926
Meeting Date:	15 November 2021
Author(s):	Jeff Jones, Manager Information Systems
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This is the 13th report to the Audit, Risk and Governance Committee providing an update on the 1System Project. Phase I and II were delivered on time, on scope, on quality and on (under) budget. This report describes delivery of Phase IIIA and planning for Phase IIIB - the largest phase due to it being Citywide. As described at the March 2020 Audit, Risk and Governance Committee meeting, Technology One Ltd has delayed the release of modules which has impacted the City's ability to deliver the 1System project on time, hence the modified version of Phase III split into A and B.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner
Seconded: Councillor Blake D'Souza

That the Audit, Risk and Governance Committee notes the progress of the 1System Project.

CARRIED (10/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

In March 2018, Council resolved to implement the Information Systems (IS) Strategy, authorising the CEO to finalise the contract with Technology One Ltd (TechOne) and report the progress of the "1System Project" implementation to each Audit, Risk and Governance Committee (ARGC) meeting. This is the 1System Project's 13th progress report prepared for the Committee.

This being the first ARGC meeting since the 2021 Council elections, additional background information has been included in the report. The 1System Project was considered and approved by Council on 26 September 2017 and 27 March 2018.

Each of the reports included within these Council meetings contained very detailed confidential information. Prior to the Council decision in March 2018 to proceed, the ARGC considered all of the information and recommended Council approve the 1System Project implementation.

Before approving the 1System Project, Council considered the Information Systems (IS) Strategy, to either remain with the Best of Breeds (BoB) approach (i.e. multiple systems) or shift to one integrated system, commonly referred to as an Enterprise Resource Planning (ERP) system. The Council decision to shift to an ERP was significant in that it will guide all decision making and planning in relation to IS over the long term (10 years).

The IS Strategy enabled the development of a plan to guide the implementation and maintenance of IS. The City requires the right people and assets to provide services to the community. IS are central to all service delivery, particularly in the digital age. The previous IS Strategy had drifted, without a deliberate decision, with disparate systems, requiring significant rework, usually paper based. These IS were costly to maintain and not fit for purpose.

In September 2017, Council adopted a change in the IS Strategy to an ERP with the knowledge that at present only one vendor, TechOne, could supply an ERP to a midsized Australian local government authority. The decision included the requirement for officers to undertake due diligence and develop a Project Management Plan (PMP), Change Management Plan (CMP) and draft Contract with TechOne and present this information to a future Council meeting.

The due diligence documentation described how the City would implement the change in IS Strategy, with the project named “1System” and with the tagline “Enabling Innovation”. The tagline described how implementing the right tools for employees will still require ongoing innovation to improve the customer experience, year on year.

This was the first major systems implementation for the City in 20 years, creating significant disruption to business as usual, as the project impacts on the whole organisation. Therefore, a significant component of the project design focused change impact on people, as employees are required to change their work practices. Essentially the approach was for a business transformation, rather than a systems implementation.

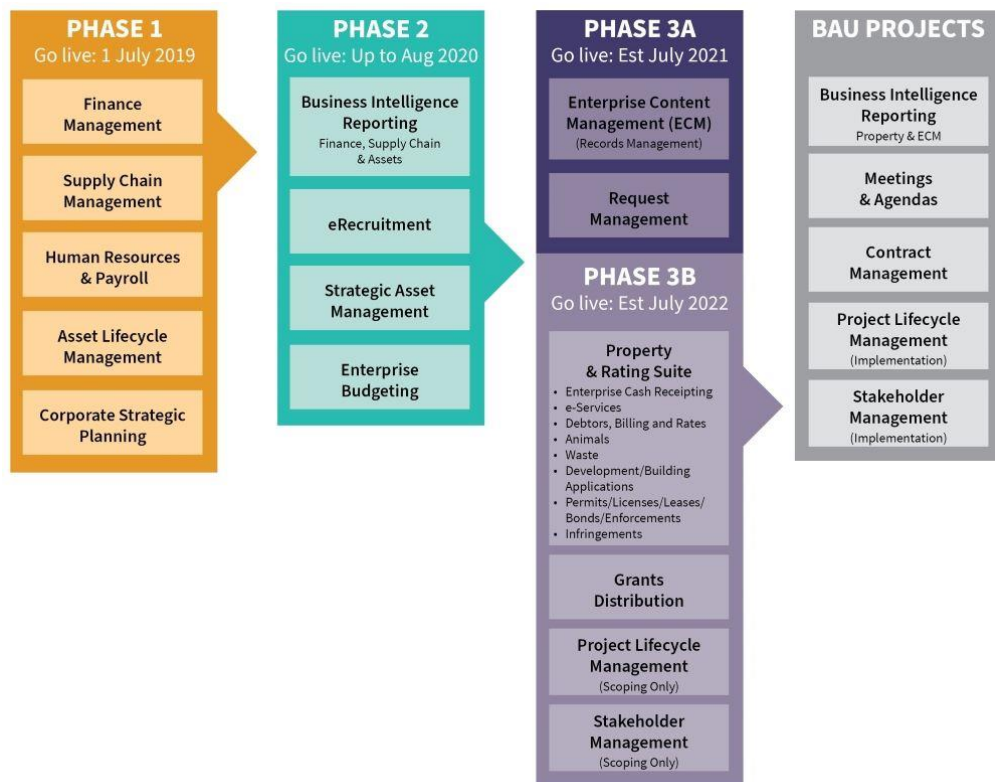
An essential component of the due diligence was considering hardware options. Essentially there are two options, either the hardware (servers, communications, back-up, etc) are hosted on premise, or alternatively in the Cloud (contracted out). The pros and cons of each approach was considered, Council resolved to proceed with the Cloud option due to the lower cost, greater security and the ‘forced’ nature of staying relevant with the requirement to upgrade at least once annually.

1System Project

A detailed PMP was presented that detailed the Modules and Processes within each phase of the project, which was supported by a Gantt chart containing more than 1,100 actions for Phase I. The original project plan included delivery of the 1System Project in four phases, over three years, illustrated as:



The detailed PMP was developed in consultation with Tech One, noting their then likely release of the various modules. Unfortunately, Tech One was not able to build the Property & Rating suite of modules (P&R) for specific WA legislation in time to commence the full implementation of P&R, so Phase 3 needed to be split into two phases, phase 3A and phase 3B (see the chart below). This has increased the length of the project by another year and increased the costs of the project for which the City has been compensated for (by Tech One) as reported to the ARGC on 9 March 2021.



Comment

Due to the delay of the release of the full WA Property and Rating module release by Tech One, Phase 3 was rescoped to be delivered in two phases. Phase 3A included the standalone delivery of Request Management (Requests) replacing the Lagan legacy system. Phase 3B would refocus on the remainder of P&R, once Tech One committed to the delivery of the full WA release.

Phase 3A delivered the 1st integrated solution in P&R and went live both internally and to the public on 10 August 2021, albeit five weeks behind schedule, with the implementation of the following modules:

- Request Management (Requests) integrated to Work Orders for infrastructure requests
- Enterprise Content Management for Requests attachments/interactions

Request Management is the first customer facing solution delivered through 1System covering multiple stakeholders from 15 different business groups across the City in all Directorates. Given the internal and external impacts, the change impact subsequent change management process was significant.

Phase 3A was delivered under budget and to a high standard of quality.

This implementation was another significant milestone and the City continues to meet key goals outlined in the original Business Case - to decommission legacy systems (Lagan & Report-IT) and provide more integrated systems with e-Services that make doing business with the City easier for residents and ratepayers, whilst generating efficiencies into the future.

The project team is currently working on the following projects:

1. Annual upgrade of 1System, moving to 2021B in early December.
2. Progressing the implementation of the Compliance (Planning, Building and Health) module, Infringements and Animals module and enabling the debtor's component of Property and Rating module.
3. Planning for the implementation of the Rates and Revenue modules.
4. Reviewing issues identified by the City's of Canning and Mandurah with regard to the Property and Rating module and its compliance with WA Legislation. The City is currently awaiting advice from Tech One as to how and when these issues will be rectified.

Consultation

Officers continue to work closely with the City of Canning who we signed an MOU with in 2018. Overall, Canning is approximately one year ahead of the City in the 1System implementation, which enables South Perth to take heed of any lessons learned and be made aware of any issues with implementation early.

The City has an MOU with the Shire of Serpentine Jarrahdale and recently signed MOU's with the City's of Nedlands and Armadale to collaborate with them on their implementations.

Policy and Legislative Implications

The 1System Project will be managed in accordance with the *Local Government Act 1995* and Regulations, *State Records Act 2000*, as well as various policies and management practices relating to financial and project management.

Financial Implications

The 1System Project Phase IIIA was managed in accordance with the Project Plan Budget (adopted 2018/19 Budget) and had sufficient contingency available to meet contract variations.

The adopted 2020/21 Budget was \$1.2m with a final actual cost of \$0.86m with the savings primarily due to the deferred rollout of some components that weren't delivered in the current software version.

Following successful implementation, Lagan has been decommissioned with an annual saving of approximately \$66,000 pa from September 2021 onwards. The City has also negotiated with Civica to reduce the annual fees for the Authority system. A 25% discount was applied 2020/21 for a saving of \$55,000 and a 50% discount has been applied for 2021/22 onwards for a saving of \$110,000 pa until Authority is fully decommissioned.

Any financial implications of further delays in the implementation of the System due to Tech One delivery delays will be brought to Council's attention if and when they become apparent.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

Attachments

Nil.

7.5 AUDIT REGISTER - PROGRESS REPORT

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-80239
Meeting Date:	15 November 2021
Author(s):	Rose Jordan, Integrated Planning Advisor
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report provides an update on the progress of actions included in the Audit Register. The Audit Register includes all open audit findings that have previously been accepted by the Audit, Risk and Governance Committee.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Blake D'Souza

Seconded: Ms Shona Zulsdorf

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the progress recorded against each item within the Audit Register in **Confidential Attachment (a)**; and
2. Approves the findings marked as Complete (100%) in the Audit Register, to be registered as closed and no longer reported to the Committee.

CARRIED (10/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

The confidential Audit Register lists internal and external audit findings, describes the progress of implementing improvements and percentage completion. This report is prepared for noting the progress and completion of findings since the last meeting.

Comment

It is important to note that the Audit Register **Confidential Attachment (a)** counts actions and totals by "Finding #". Each finding may have more than one "Recommendation" and associated "Agreed Management Action", previously counted as **one** action. This can mean that some Recommendations within an Action will be completed (100%) and some will not.

Only when all assigned Recommendations/Agreed Management Actions are marked as 100% complete will the Audit, Risk and Governance Committee (ARGC) approve the Finding for closure.

As requested, following the September 2020 ARGC meeting, the Audit Register has been formatted to ensure clarity with:

1. Each finding that has more than one agreed management action is represented with double lines around that entire finding;
2. Each finding that is to be closed (100% for all agreed actions) is represented by a purple "Closed Tally" column on the right and numbered; and
3. All findings that are being recommended to close by the ARGC (100%) are filtered to the end of the register.

Following the December 2020 ARGC meeting, the Audit Register has been further formatted to ensure clarity with:

1. The insertion of a "Count" column on the far left to provide the cumulative number (sum) of all current findings within the register. The final count number at the end of the register will therefore represent the total number of current findings (including those recommended for closure).

The ARGC is requested to recommend to Council to note the progress and officer comments. In addition, it is recommended all findings marked as complete (100%) in the Audit Register be registered as closed. All closed items will not form part of the Audit Register report for future meetings. The closed items are available for the Internal and External Auditors and Committee/Council to review.

It is requested to note the Audit Register in **Confidential Attachment (a)**.

A review of the Strategic Internal Audit Plan (SIAP) is underway with initial discussions held with the City's Internal Auditor, Paxon. The intention with this review is to expand the scope to be a Strategic Audit Plan (SAP) so that we can adequately plan for and report against all audits, internal and external.

It is anticipated that this review and the new SAP will be presented at the next Audit, Risk and Governance Committee Meeting to be held 8 March 2022.

Consultation

Nil.

Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulation 1996 (CEO's duties as to financial management) and Regulation 7 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

Financial Implications

The Internal Audit function (Paxon) has a budget of \$40,000 for the 2021/22 financial year, and it is anticipated that a budget of a similar amount is to be adopted each year. Officers' effort to undertake the improvements and report on progress has not been estimated.

7.5 Audit Register - Progress Report

The External Audit function (WA Auditor General) has a budget of \$65,000 for the audit of the 2020/21 Annual Financial Statements, undertaken and incurred during the 2021/22 financial year.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership
Aspiration: A visionary and influential local government
Outcome: 4.3 Good governance
Strategy: 4.3.1 Foster effective governance through quality decision-making

Attachments

7.5 (a): Audit Register Progress Report 1st Quarter - 15 November 2021
(Confidential)

7.6 2021/22 CORPORATE BUSINESS PLAN 1ST QUARTER UPDATE

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-80242
Meeting Date:	15 November 2021
Author(s):	Rose Jordan, Integrated Planning Advisor
Reporting Officer(s):	Garry Adams, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report provides an update on the progress of the Corporate Business Plan and Integrated Planning and Reporting Framework since the adoption of the Strategic Community Plan 2020-2030 and Corporate Business Plan 2020-2024, as well as the progress of the projects and activities described in the reports.

It is recommended the Audit, Risk and Governance Committee notes the progress recorded against each project/activity contained within the 2021/22 Corporate Business Plan Quarter 1 Report and notes the results for all Measures of Success contained within the Corporate Business Plan Measures of Success Report.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Blake D'Souza
Seconded: Ms Shona Zulsdorf

That the Audit, Risk and Governance Committee:

1. Notes the progress recorded against each project/activity within the Corporate Business Plan as described in the report contained within **Attachment (a)**; and,
2. Notes the results recorded against each Measure of Success within the Corporate Business Plan as described in the report contained within **Attachment (b)**.

CARRIED (10/0)

For: Mayor Greg Milner and Councillors André Brender-A-Brandis, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas, Jennifer Nevard, Stephen Russell; Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

In 2019/20, the City completed a minor (desktop) review of the Strategic Community Plan (SCP) 2017-2027 to produce the SCP 2020-2030 which was endorsed by Council at its meeting held 26 May 2020, along with approval to start the next major review in early 2020/21.

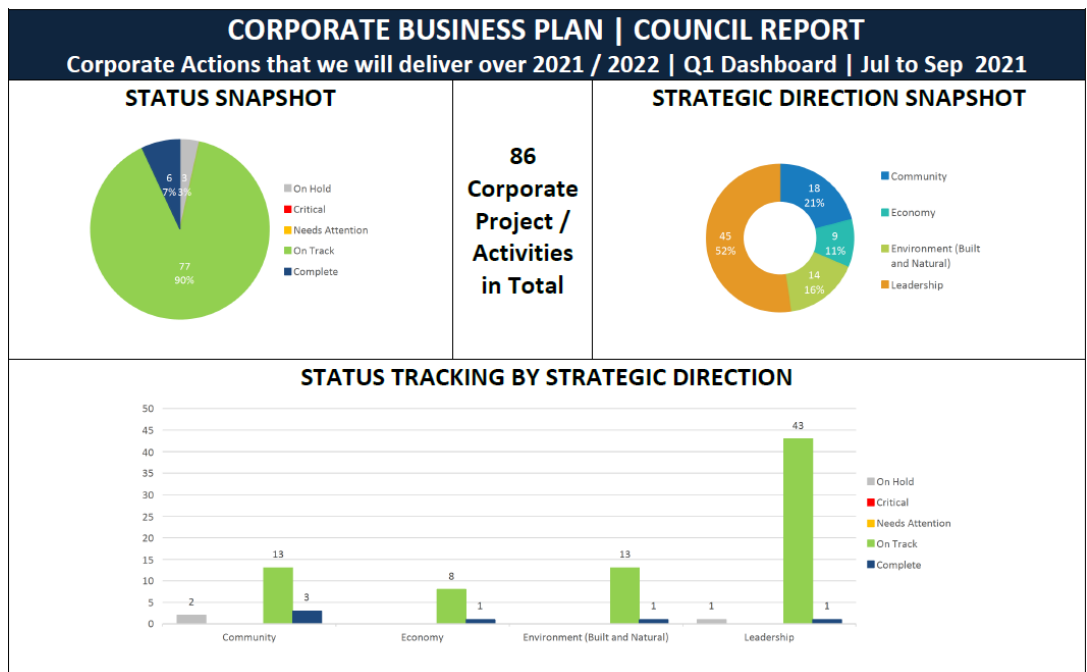
Following the 2020-2030 SCP endorsement, the Corporate Business Plan (CBP) 2020-2024 was finalised and endorsed by Council at its meeting held 23 June 2020. Some minor updates to the plan were recommended to Council from the 8 September 2020 Audit, Risk and Governance Committee (ARGC) meeting and were subsequently endorsed by Council at its meeting held 22 September 2020.

The CBP is an important part of the City’s Integrated Planning and Reporting (IPR) Framework, and is the document that guides the implementation of the City’s SCP. The CBP translates the aspirations and strategies of the SCP into operational priorities and indicates how they will be resourced over a four-year period, outlining in detail the projects, services, actions, operations and performance measures required to ensure delivery of the SCP.

Comment

The dashboard (below) has been designed within the “My Performance Planning” 1System module, which went live into production during Quarter 1 2020/21. This module is now used by the City to record and report on all annual planned actions within the CBP 2020-2024. Below are the results for Quarter 1 for the 2021/22 financial year.

The City of South Perth’s Corporate Business Plan Report - Quarterly Dashboard



Colour coding is used to improve readability. The colours used under the Strategic Direction header are aligned to that of the SCP and CBP being:

blue = Community;

teal = Economy;

green = Environment; and

orange = Leadership.

In terms of the Status and % Complete headers, the colours used are traditional traffic lights, being:

On Track = **green**,

On Hold = **grey**,

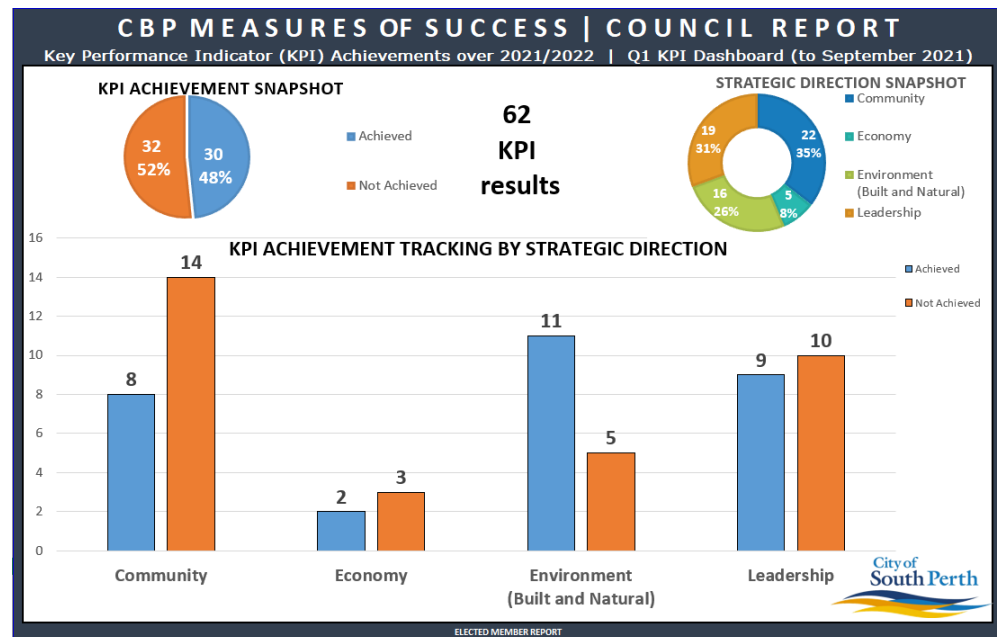
Critical = **red**,

Complete = **blue**, and

Needs Attention = **orange**.

It is likely that through further 1System module implementation, the information shown in the dashboard and represented in the detailed line by line report may be changed to improve readability and to ensure a focus on continuous improvement.

The City of South Perth's CBP Measures of Success Report – KPI Dashboard



The above dashboard has been designed with Excel and shows the results of reportable Measures of Success (Key Performance Indicators) from the CBP 2020-2024 for the 2021/22 Financial Year. It is expected that through continuous improvement and further “My Performance Planning” 1System module implementation, recording and reporting of KPIs will be possible and therefore the information shown in the dashboard and represented in the detailed line by line result outcome report may be altered over time to improve its readability.

As these are the Quarter 1 results, some KPIs cannot yet be measured e.g annual, the result is shown as 0 and “not achieved” with the comment providing an indication of why it is immeasurable and when reporting will be possible.

The CBP report and Measures of Success report is reported quarterly to the ARGC, reviewed annually by officers and reported yearly to the Community through the Annual Report.

The attached reports are presented for information, with a description of the progress as well as officer comments.

All completed (100%) items in the will not be reported on in future periods. All outstanding projects/activities for 2020/21 have been considered in the development of the annual review for 2021/22.

Consultation

Nil.

Policy and Legislative Implications

Local Government (Administration) Regulations 1996.

Financial Implications

All projects and activities listed in the Corporate Business Plan 1st Quarter Update are fully funded within the 2021/22 Annual Budget.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance through quality decision-making

Attachments

7.6 (a): 2021/22 Corporate Business Plan 1st Quarter Update

7.6 (b): 2021-22 CBP Measures of Success (KPI) Report to Quarter 1

8. OTHER RELATED BUSINESS

Nil.

9. CLOSURE

The Presiding Member closed the meeting at 7.09pm and thanked everyone for their attendance.

These Minutes were confirmed at the next Audit, Risk and Governance Committee Meeting yet to be determined.

Signed: _____

Presiding Member at the meeting at which the Minutes were confirmed.