

TechnologyOne Post Implementation Review Internal Audit - KPMG

Strategic Alignment - Our Corporation

Public

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Audit and Risk Committee

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EXECUTIVE SUMMARY

Internal audit is an essential component of a good governance framework. It is the mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally and effectively, and to advise how it can improve performance.

The 2024-2025 Internal Audit Plan (the Plan) for the City of Adelaide (CoA) has been developed in consideration of Council's key strategic risks and critical priorities.

In accordance with the Plan an internal audit was performed to assess the effectiveness of the TechnologyOne (TechOne) upgrade from on-premise to cloud (the TechOne Project).

The implementation of the TechOne project commenced in October 2021 and concluded in July 2022.

The audit best aligns with the Strategic Risk – Lack of fit for purpose IT Systems and Data: Inadequate IT systems and data governance endanger operational efficiency and data integrity, while increasing susceptibility to security breaches and regulatory non-compliance.

The internal audit identified four findings. Three are risk-rated High and one risk-rated Moderate.

This report requests that the Audit and Risk Committee note the report and endorse the administration responses.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the TechnologyOne Post Implementation Review Internal Audit report provided as Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 May 2025.
2. Endorses the responses of the Administration to the TechnologyOne Port Implementation Review Internal Audit report as outlined in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 May 2025.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal Audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	The KPMG internal audit report has been presented to SRIA.
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses on compliance, risk management and improvement opportunities. Audit suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
24/25 Budget Allocation	\$250,000 is budgeted for external consultancy support as required by the 2024/25 internal audit program.
Proposed 25/26 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
24/25 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The TechOne Post Implementation Review Internal Audit was performed by KPMG, in accordance with the 2024-25 Internal Audit Plan.
2. The implementation of the TechOne project commenced in October 2021 with project initiation and the system went live across the organisation in July 2022.

Report

3. This audit aligns with the City of Adelaide (CoA) Strategic Risk – Lack of fit for purpose IT Systems and Data Governance: Inadequate IT systems and data governance endanger operational efficiency and data integrity, which increasing susceptibility to security breaches and regulatory non-compliance.
4. The TechOne Post Implementation Review Internal Audit focused on project management, governance and arrangements put in place, delivery of project benefits and consideration of lessons learned and overall areas for future improvement.
5. The objective of the TechOne Post Implementation Review Internal Audit included the following:
 - 5.1. Project governance frameworks and processes, including clarity of roles, responsibilities and accountabilities of key project activities.
 - 5.2. The project management methodology adopted during the upgrade, focusing on planning, execution and stakeholder engagement.
 - 5.3. Project risk management activities, including identification of project risks and controls and ongoing monitoring.
 - 5.4. Changes to scope during project delivery, including noting of change requests and modifications or enhancements made to the system post-implementation.
 - 5.5. Processes to manage project costs, including review and approval of variations to the project budget.
 - 5.6. The adequacy and effectiveness of change management activities during implementation, including communication, user training and heightened support.
 - 5.7. Overall achievement of project outcomes, including achieving key business case identified benefits.
 - 5.8. Lessons learned in terms of what went well and what could be improved upon, and what could be done differently for other IT related Projects delivered by the CoA.
6. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Governance and management of the TechOne Project	High
Inadequate approval process and post-implementation challenges for the DT Project	High
Inadequate maintenance of project documentation	High
Change management not well documented and formalised	Moderate

7. The three high and one moderate findings from the Internal Audit and the agreed management comments are listed below:

Finding	Agreed management comment
Finding 1: Governance and management of the TechOne Project	1. The Information Management team has identified a lack of consistency in IT Project Management governance and is currently reviewing and updating new IT Project Governance Framework. Additionally, Information Management has re-established the Business Systems Committee (BSC) that will provide further project governance and

	oversight to the broader roadmap of Business systems related transformation. Key actions: i. Re-establish the Business System Committee including updated Terms of Reference (ToR) ii. Review and update IT Project Governance Framework, including adoption by BSC. 2. List of high-risk projects to be developed and plan to carry out in-flight reviews to be developed. 3. Minutes and actions will be reviewed as part of the in-flight review of projects planned in Management Action 2. 4. Strong change control processes to be implemented from 1 July 2025 with the Project Steering Committee accountable for the management of scope for individual projects. 5. & 6. The CoA will review, align and update documentation templates to the project phases.
Finding 2: Inadequate approval process and post-implementation challenges for the DT Project	1. & 3. The CoA will review current AR function, including current integrations, manual work arounds, and identify key issues and opportunities for improvement and develop a remediation plan and, if required, consideration for 2026/2027 Business Plan and Budget process. 2. Agree, as outlined in Management Response 1 to Finding 1, the re-establishment of the Business Systems Committee will provide further governance and oversight to the broader IT roadmap for the CoA.
Finding 3: Inadequate maintenance of project documentation	1. The CoA will ensure clear processes and procedures are identified and documented that align to the CoA's records management practices for post project document management. 2. & 3. The CoA will review, align and update documentation templates to the project phases. 4. Review project phases, milestones, including artefacts and approval stage-gates.
Finding: 4 Change management not well documented and formalised	1. The CoA will develop a flexible and fit for purpose change management/business readiness framework that can be used and adopted for future projects. Noting that CoA has identified change management as an organisational action in CoA's Culture Survey action plan, and further refinement and alignment will be made once that action has been progressed.

8. Administration has considered the findings and provided actions and time frames to address these findings (outlined in the findings section of KPMG's TechnologyOne Post Implementation Review Internal Audit report, **Attachment A**).
9. Management actions 2 and 3 against Finding 1 of the TechnologyOne Post Implementation Review Internal Audit, which were due on 1 May 2025 and 31 March 2025 respectively, have been completed.

ATTACHMENTS

Attachment A – TechnologyOne Post Implementation Review Internal Audit

- END OF REPORT -