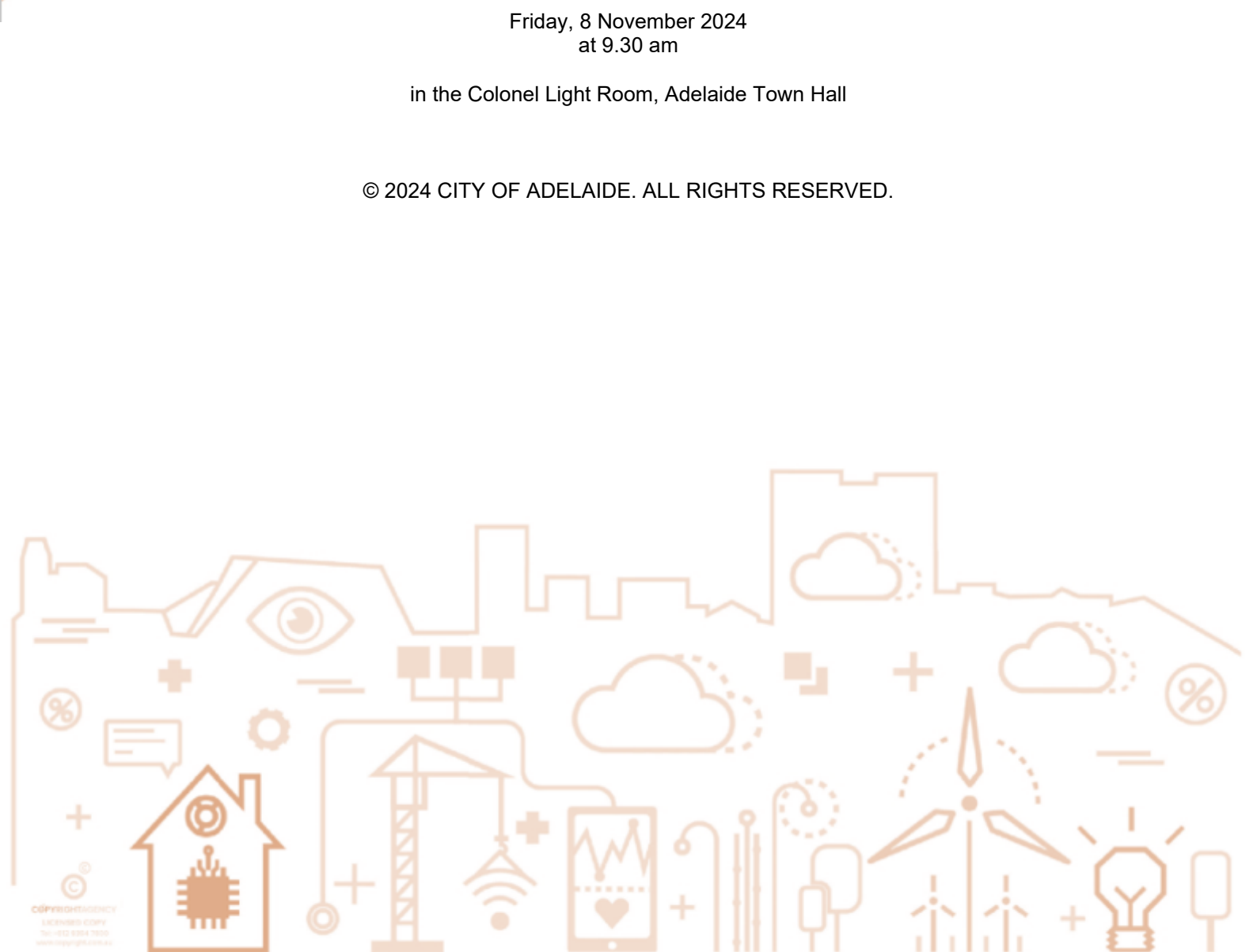




AGENDA & REPORTS

Friday, 8 November 2024
at 9.30 am

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Membership	The Lord Mayor (ex-officio) 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	3
Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Mark Davies Paula Davies Simon Rodger Councillor Jing Li

1 Acknowledgement of Country

‘Council acknowledges that we are meeting on traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.’

2 Apologies and Leave of Absence

3 Confirmation of Minutes

That the Minutes of the meeting of the Audit and Risk Committee held on 27 September 2024, be taken as read and be confirmed as an accurate record of proceedings.

View public 27 September 2024 Minutes [here](#).

4 Declaration of Conflict of Interest

5 Presiding Member Reports

6 Reports

6.1	Contract Management Internal Audit - KPMG	4 - 30
6.2	Culture Survey Review - KPMG	31 - 57
6.3	2024/25 Business Plan & Budget Quarter 1 Update	58 - 154
6.4	Internal Audit Progress Report	155 - 169
6.5	Record Keeping Internal Audit	170 - 185
6.6	Audit and Risk Committee Self-Assessment Results	186 - 193

7 Emerging Key Risks

8	Independent Member Discussion	
9	Other Business	
10	Exclusion of the Public	194 - 195
	In accordance with sections 90(2),(3) and (7) of the <i>Local Government Act 1999 (SA)</i> the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 11 of this Agenda.	
11	Confidential Item	
	11.1 Strategic Risk and Internal Audit Update [s 90(3) (i)]	196 - 200
12	Closure	

Contract Management Internal Audit - KPMG

Strategic Alignment - Our Corporation

Public

Friday, 8 November 2024

Audit and Risk Committee

Program Contact:

Kathryn Goldy, Acting Manager
Governance

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit was performed to review CoA's overarching contract management framework with a specific focus on the post-contract award process.

This audit aligns with the Strategic Risk – Financial Sustainability: Failure to plan for and manage Council's finances.

The internal audit identified seven findings. Four are risk-rated Moderate and two are risk-rated Low. One Improvement Opportunity was identified.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

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.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Contract Management 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 8 November 2024.
 2. Endorses the response of the Administration to the Contract Management 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 8 November 2024.
-

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	Not as a result of this report
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 largely on compliance, risk management and improvement opportunities. As such audits 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. The KPMG report (Attachment A) cost \$25,000, from the 2023/24 budget.
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 Contract Management Internal Audit was performed by KPMG, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with the City of Adelaide (CoA) Strategic Risk – Financial Sustainability: Failure to plan for and manage Council's finances.
3. The Contract Management Internal Audit focused on the review of the CoA's overarching contract management framework with a specific focus on the post-contract award process.
4. The objective of the Contract Management Internal Audit included the following:
 - 4.1. Governance, resources and clarity of roles and responsibilities in relation to contract management.
 - 4.2. Systems and processes in place to support management, including robustness of records management.
 - 4.3. Risk management processes to ensure key contract risks are identified and monitored.
 - 4.4. Financial management and oversight, including verification of contract expenditure, and financial monitoring and reporting.
 - 4.5. Documentation and authorisation requirements of contract variations and extensions.
 - 4.6. Compliance monitoring of contract obligations, commitments, and service requirements.
 - 4.7. Relationship management, including escalation and resolution management over non-compliance and disputes.
 - 4.8. Management of contract performance, including management of contract variations, achievements of Key Performance Indicators and the ability of the contractor to meet the terms of the contractual arrangements.
5. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Limited contract risk management and profile consideration	Moderate
Clarity of contract management roles and responsibilities across the CoA	Moderate
Gaps in training provided to Contract Managers	Moderate
Gaps in contract management guidelines and governance	Moderate
Inconsistencies identified in the records management of contracts	Low
Inconsistent oversight and monitoring of contracts	Low
Opportunity for uplift of utilisation of supporting system	Improvement Opportunity

6. Administration has considered the findings and provided actions and time frames to address these findings (outlined in the findings section of KPMG's Contract Management Internal Audit report, Attachment A).
7. Management action 1 to Finding 2 of the Contract Management Internal Audit report with a due date of 30 September 2024 has now been completed.

ATTACHMENTS

Attachment A – Contract Management Internal Audit

- END OF REPORT -



Contract Management

Page 7

Internal Audit Report
City of Adelaide

August 2024

Attachment A

Acknowledgement of Country

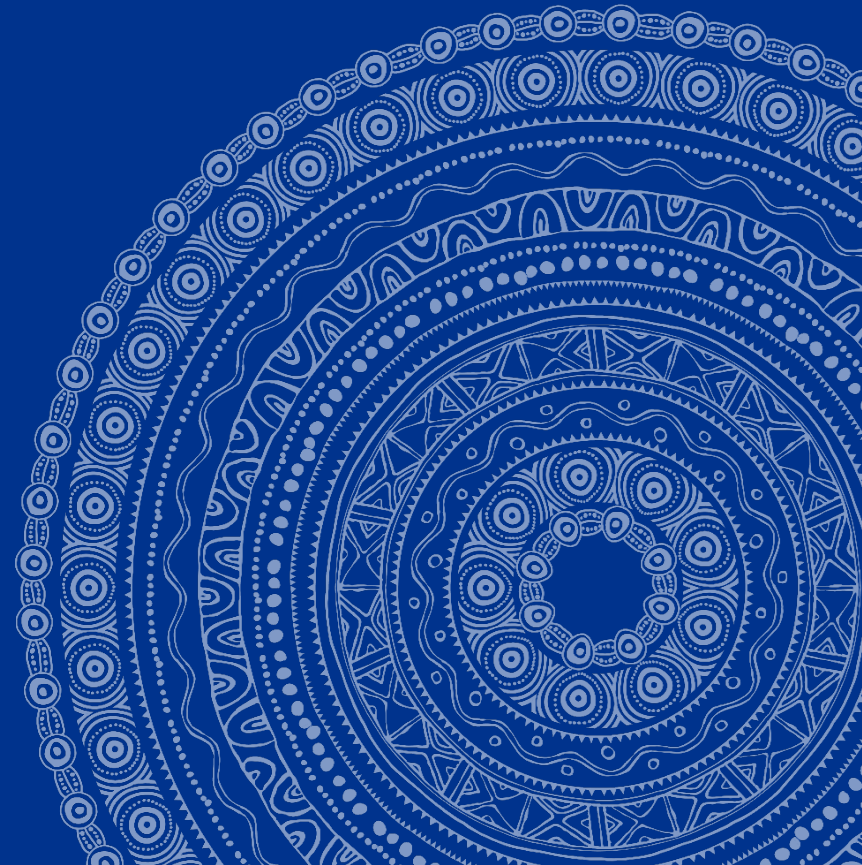
KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.



Contents

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• Appendix 3 – Classification of Internal Audit Findings	21
• Appendix 4 – Disclaimers	23

Executive Summary

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on the policies, processes, risks and controls relating to contract management was performed.

Objective

The objective of this internal audit was to review the CoA's overarching contract management framework with a specific focus on contract management in relation to the post-contract award process.

Scope

The scope of this internal audit considered the following areas:

- Governance, resources, and clarity of roles and responsibilities in relation to contract management.
- Systems and processes in place to support contract management, including robustness of records management.
- Risk management processes to ensure key contract risks are identified and monitored.
- Financial management and oversight, including verification of contract expenditure, and financial monitoring and reporting.
- Documentation and authorisation requirements of contract variations and extensions.
- Compliance monitoring of contract obligations, commitments, and service requirements.
- Relationship management, including escalation and resolution management over non-compliance and disputes.
- Management of contract performance, including management of contract variations, achievements of Key Performance Indicators (KPIs) and the ability of the contractor to meet the terms of the contractual arrangements.

Refer to Appendix 1 for detailed Scope and Approach.

Positive Observations

A number of positive observations were identified during the course of this internal audit and are summarised below:



Performance Monitoring | For the five (5) contracts sampled, it was observed that there was a consistent practice of performance monitoring. KPIs were established during the pre-award phase in Procurement Plans and were included in the finalised contracts. These KPIs were then regularly evaluated and monitored in monthly or bi-monthly meetings by the Contract Managers in collaboration with the contractors.



Relationship Management | Strong relationships were observed with the contractors selected for sample testing, including regular and clear communication with contractors with a focus on continual performance improvement.



Knowledge and Expertise | Contract Managers interviewed demonstrated strong knowledge and expertise on the nature of the contracts they are responsible for managing.



Regular Service Monitoring | Through sample testing of the cleaning contract, it was evidenced there is a robust service quality monitoring process established, including weekly spot checks at cleaning sites, photo evidence and monthly meetings with the contractor to assess and monitor KPIs.



Performance Reporting | For a high-risk security management contract it was noted a bi-monthly report is provided to the Emergency Management team, who then provides a synthesised report to the SRIA. Additionally, for a waste management contract, a monthly Performance Management Committee Action Plan report is prepared, including the roles and responsibilities of future actions to improve contract performance.

Key Findings and Recommendations

The CoA currently does not have a formalised contract governance structure in place to consistently manage contracts (risk-based) and relevant practices across the CoA. As a result, there is inconsistency in the administration and management of contracts.

The findings and performance improvement opportunities (PIO) identified during this internal audit are illustrated in the summary below. The findings and recommendations were discussed with CoA Management.

The detailed Classification of Internal Audit Findings is included in Appendix 3.



Background

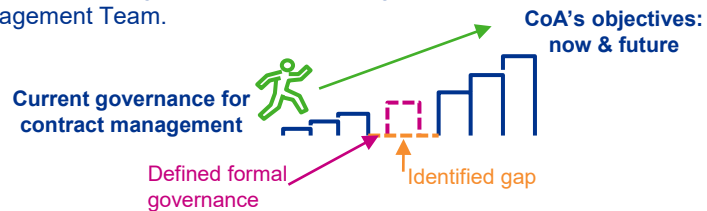
2.1 Contract Management at the CoA

The CoA currently manages over 368 active contracts, including infrastructure, construction operating services, technology and professional services, with each business area managing contracts independently. Each contract has an assigned Contract Manager, who is responsible for the administration of the contract, including regular performance management and the overall relationship management with the contractor.

Contract Management is governed by the CoA's Procurement and Contract Management Guidelines, which provides a high-level guidance to the Contract Managers of their roles, responsibilities and accountabilities associated with the management of contracts.

2.2 Roles and Responsibilities

The Procurement and Contract Management Team oversees the management and recording of key contract information, including renewal and monitoring of insurance certificates and budget and variation management. The Contract Owner is responsible for the overall management of the contract, including the Contract Manager who is responsible for the ongoing performance management, relationship management, compliance management and addressing incidents in collaboration with the Emergency Management Team.



Contract management tasks are currently decentralised throughout the CoA, with the majority of tasks performed by the relevant Contract Managers. This has resulted in a significant degree of variability in the contract management process across the CoA.

2.3 Performance Management

Monitoring of contracts is required to ensure strong contract management principles and value for money. The CoA has a formal approach to manage and monitor contract performance, including clearly defining and effectively utilising Key Performance Indicators (KPIs). Each contract has clearly defined and strategically aligned KPIs with organisational objectives. In accordance with the contract management guidelines, Contract Managers are responsible for tracking progress and identifying areas of improvement through regular monitoring and evaluation of contract performance.

2.4 Data and Systems

The CoA utilises the following systems for the administration of contract management:

Procurement and Contract Management System (PCMS)	A procurement and contract records management system, used by the procurement team as the central repository for all procurement and contract information.
TechOne	A financial management system, used to record all financial activities in relation to the contracts, including total budget and variations.
Content Manager	A records management system, used by Contract Managers to store records relating to contracts across the CoA.
SkyTrust	A safety/incident management system, used to record and monitor incidents for all contracts across the CoA.

It was advised an upgrade of the Procurement Contract Management System (PCMS) is scheduled to be performed. The CoA is currently aiming to have a more holistic oversight of the contract management process in the updated solution.

2.5 Contracts selected for sample testing

A selection of contracts across the **2022-2023** Financial Year were considered for testing. The selected contracts are listed below:

Contract Number	Contractor Name	Budget
T2022 0006 00	Wilson Security	\$1,717,081
G2019 0127 00	Cleanaway Pty Ltd	\$4,709,873
G2018 0062 00	Zippy Cleaning & Maintenance Services	\$773,478
T2023 0004 00	SKG Commercial Cleaning	\$2,175,243
T2022 0072 00	Health and Immunisation Services	\$500,000



High-Level Findings Identified

Below are the key contract management functions required for effective contract management, which we have aligned to the agreed scope of the internal audit. A column listing the finding references has been included, to highlight the functions with opportunities for improvement against better practice contract management principles.

Contract Management Functions	Scope	Finding Reference
 Framework	Governance, resources and roles and responsibilities in relation to contract management (including skills, experience and training).	F2 F4
 Administration	- Systems and processes in place to support contract management, including records management and notification of contract milestones and renewals. - Compliance monitoring of contract obligations, commitments and service requirements.	F5 PIO1
 Financial Management	- Financial management and oversight, including verification of contract expenditure and financial monitoring and reporting. - Documentation and authorisation requirements of contract variations and extensions.	F6
 Performance Management	- Management of contract performance, including management of contract variations, achievements of KPIs and the ability of the contractor to meet the terms of the contractual arrangements. - Relationship management, including escalation and resolution management over non-compliances and disputes.	F6
 Risk Management	- Risk management processes to ensure key contract risks are identified, monitored and mitigated. - Management of work, health and safety (WHS) in accordance with contract requirements including contractor induction processes.	F1
 Training, Performance and Professional Development	Consideration of lessons learned processes to help inform continuous improvement in relation to contract management.	F3



Internal Audit Findings

Internal Audit identified four (4) moderate risk-rated findings, two (2) low risk-rated findings and one (1) performance improvement opportunity (PIO). The details of the findings are provided in the 'Detailed Findings' section of this report. These findings have been individually rated as following:



Rating	Ref #	Description
Moderate	F1	Limited contract risk management and profile consideration
Moderate	F2	Clarity of contract management roles and responsibilities across the CoA
Moderate	F3	Gaps in training provided to Contract Managers
Moderate	F4	Gaps in contract management guidelines and governance
Low	F5	Inconsistencies identified in the records management of contracts
Low	F6	Inconsistent oversight and monitoring of contracts
PIO	PIO1	Opportunity for uplift of utilisation of supporting system



Finding 1 – Limited contract risk management and profile consideration

Finding(s):

There is an inconsistent approach to risk management across the contract lifecycle at the CoA.

Pre-award phase

The contract risk assessment process is a key component of the pre-award phase (to inform post-award), including contract risk profiling. Better practice for profiling is to use a tool for consistent scoring across defined criteria (e.g. operational, scale, complexity, customer, strategy, reputation).

The outcome of the contract profiling assessment should determine the contract management tiering (e.g. priority, routine) and associated management and governance requirements. Tier requirements should be clearly defined, such as strategic contracts should mandate the use of contract management plans, steering/governance committee and reporting requirements.

Related to this process, Internal Audit identified the following gaps:

- The CoA does not have a robust contract profiling process in place, with a clearly defined methodology, criteria and contract management tier requirements, to help inform contract governance requirements.
- The Procurement function is required to develop Contract Management Plans (CMP) for high risk contracts, as per the CoA's Procurement and Contract Management Guidelines. Our review noted that a standard CMP template has not been developed to define the tasks, roles, responsibilities and accountabilities to effectively manage and administer the contract. This tool is a key part of the contract governance framework as it contains critical contract specific information, which should be regularly reviewed and updated.
- For all five (5) contracts reviewed within our sample testing, the CoA Contract Managers had not conducted a relevant contract risk assessment.

(continued on the following page)

Recommendation(s):

Internal Audit recommends the CoA consider the following:

1. As part of the contract management guidance, define a methodology to monitor high risks and strategic/priority contracts. *Refer to Finding 4 for additional details.*
2. Consistently utilise the Contract Management Plan template and mandate the use for all priority/higher risk contracts as defined in the contract management guidance, which should be drafted in the pre-award phase and maintained throughout execution. For low-risk contracts, the CoA has an opportunity to implement a contract management checklist.
3. Consider the opportunity for the Procurement team to support Contract Managers, on a risk-based approach, with ongoing risk management and governance oversight across the contract lifecycle for high risk contracts.

Moderate

Agreed Management Actions

1. A risk assessment is always required and is used to assess the level of risk associated with a Procurement activity and to determine further process requirements, mitigation strategies and actions.

As stated within the CoA's Procurement and Contract Management Operating Guideline, the responsibility of the risk assessment is held by the business initiating the procurement. The business area will need to ensure all high risk procurements under \$150K are reported to the Procurement team to ensure appropriate mitigation.

The Procurement team will ensure risk assessments are conducted for all procurement activities over \$150k. The Procurement & Contract Management Team will review the Risk Assessment Tool to ensure it accurately identifies high risk and strategic/priority contracts.

(continued on the following page)

**Finding 1 – Limited contract risk management and profile consideration****Finding(s):**

(continued from previous page)

Post-award phase

Contract risk profiles should be regularly reviewed throughout the contract lifecycle. Further, contracts which have multiple sites or materially different portions of work should have focused risk assessments where required (e.g. different roads, buildings or ovals, etc.) as different risk environments may need to be managed in isolation of each other.

All categories of risks (e.g. operational, safety, environmental, reputation, financial, etc.) should be considered and each identified risk should be treated with controls and actions to mitigate to an acceptable level. Priority contracts should have regular risk management and performance reporting to a steering/governance committee.

Internal Audit identified the following gaps related to the post-award process:

1. As part of the CoA's contract management guidance, high risk contracts are required to have a Contract Management Plan (CMP). No CMPs were in place for the five (5) contracts sampled during this review. This control is a key part of contract governance and managing key personnel reliance risk, as they contain a wealth of critical contract specific information which should be regularly reviewed and updated as a management tool.
2. For three (3) out of five (5) contracts sampled, a procurement plan was provided, however the procurement plans captured risks specific to procurement and not the contract. Furthermore, the risk assessments included in the procurement plans were not sufficient for conducting contract risk assessment.
3. Through sample testing of five (5) contracts, it is noted that contract risk profiles were not dynamically managed throughout the post-award phase, and risk management is not effectively used as a tool for decision making.

Risk(s):

- Ineffective and inconsistent approach applied to contract risk management can result in unnecessary risk exposure for the Council.
- Risk is not used as tool for decision making.

Recommendation(s):**Moderate****Agreed Management Actions**

(continued from previous page)

2. The CoA currently has a Contract Management Plan template, which will be reviewed and updated to incorporate the recommendations from the internal audit. A Contract Management Checklist will be developed and implemented through the Procurement & Contract Management System Upgrade.
3. The Strategic Procurement & Contract advisors within the Procurement & Contract Management team will partner with the Contract Managers for high risk and/or strategic/priority contracts to ensure the Contract Management Plan is adhered to, and regular reporting is provided to relevant stakeholders within Council.

Responsibility: Manager, Finance & Procurement

Target Date: 31 December 2024

**Finding 2 – Clarity of contract management roles and responsibilities across the CoA****Finding(s):**

Internal Audit identified gaps and lack of clarity of roles, responsibilities and accountabilities across the CoA, including Contract Managers, to ensure effective contract management. The Contract Owner performs a critical role and is accountable for the overall management of the contract. This individual will have a significant influence on the nature of the relationship between the Councils and the contractor.

Internal Audit observed the following:

1. Different views were expressed by Contract Managers on how they manage contract documentation, such as insurances and the agreed executed contract. Currently, automated emails are sent from the procurement system, PCMS, to notify the contractors of insurance nearing expiration. However, Contract Managers were noted as also independently requesting insurance certificates, resulting in duplication of activities.
2. It was advised four (4) out of five (5) contracts sampled were legacy contracts for which a handover was not performed when the Procurement Team departed from the CoA in 2022. Therefore, there is an absence of assigned responsibility within the Procurement Team for maintaining and updating legacy contract information in PCMS. This included the CoA Contract Register (extracted from PCMS) reviewed during this audit not aligning with the contract information provided, including Contract Manager names not updated where a new Contract Manager had been appointed.
3. For three (3) of the five (5) contracts sampled, the CoA personnel assigned as the Contract Manager had been recently appointed to their role. Based on stakeholder consultations, it was advised that no handover process had been performed and very limited guidance was provided to the new Contract Managers of their relevant roles, responsibilities and accountabilities associated with the contract.

(continued on the following page)

Recommendation(s):

Internal Audit recommends the CoA consider the following:

1. Creation of a more comprehensive contract management and procurement group structure diagram that includes names, roles and responsibilities, and circulate to all Contract Managers and the Procurement Team. This should include a clear distinction between Contract Managers, Contract Owners and Project Managers.
2. Consider creating a formalised and documented handover process for Contract Managers. File this document in a location that all Contract Managers can access.
3. Organise contract management training sessions on a regular basis for Contract Managers and the Procurement Team, this should include refresher training and clearer communications on key changes to the CoA Policy & Procedures.
4. Develop a formalised process for the Strategic Insights Team to document when CoA policies and procedures have been reviewed and/or modified. A delegate responsible for this task should also be assigned.

Moderate**Agreed Management Actions**

1. The Procurement & Contract Management Team will place a diagram on its SharePoint site that addresses the names, roles and responsibilities in the team.
2. The Procurement & Contract Management team will update the existing information into a formalised document for Contract Managers.
3. The Procurement & Contract Management team is already working with the Learn and Perform team to develop internal training for relevant stakeholders. This training will incorporate the structure, roles and responsibilities of the CoA's contract management process.
4. Once approval from the Chief Operating Officer to review policies and procedures is granted, the Procurement & Contract Management team will engage with stakeholders in developing updated documents that reflect the recommendations of this audit.



Finding 2 – Lack of clarity of contract management roles and responsibilities across the CoA

Finding(s):

(continued from previous page)

4. Three procurement documents were identified as being out of date, including the negotiation policy, evaluation work instructions and financial viability check. Additionally, the Procurement Contract and Approvals Guideline and the Procurement Policy was scheduled for an update in December 2023. It is acknowledged that although the mentioned documents appear to be out of date, it was confirmed that the documents are 'live' and have continually been worked on, however the dates in the policy documents were not updated.
5. Through stakeholder discussion it was noted there is a lack of clarity in the roles and responsibilities of a Contract Manager and a Project Manager. *This is further discussed in Finding 4.*

Recommendation(s):

Moderate

Agreed Management Actions

Responsibility: Manager, Finance & Procurement

Target Date:

1. 30 September 2024
2. 31 December 2024
3. 31 December 2024
4. 31 December 2024

Risk(s):

- Lack of clarity of roles and responsibilities may result in inconsistent contract management performance, resulting in non-performance and contract obligations not being managed consistently.
- Duplication of tasks can result in inefficient use of resources.



Finding 3 – Gaps in training provided to Contract Managers

Finding(s):

Training requirements for the CoA Contract Managers have not been formally documented.

While a Procurement and Contract Management Guidelines learning session was rolled out in late 2022 for all Team Leaders, Managers and Associate Directors, post the implementation of updated guidelines, the training session was not mandatory for all Contract Managers.

Internal Audit noted the following:

- For three (3) out of five (5) contracts sampled, relevant Contract Managers advised of no formal training provided prior to commencement in their roles. This included a lack of training during the induction training, provided to the new Contract Managers.
- Currently, there is limited formal training provided to key CoA personnel involved in contract management roles including any form of refresher training. During our review it was observed that Contract Managers utilise their own methodology and tools to perform contract management tasks. This has also contributed to inconsistent contract management practices across the CoA.
- Our review noted there was lack of evidence to support that training had been undertaken or provided to personnel involved in contract management roles.

Better practices include effective training as an important aspect of maintaining continuity of current and future employees, to ensure contracts are managed in an efficient manner and in line with CoA's processes.

Risk(s):

- Lack of efficiency in contract management processes.
- Inconsistencies in the management of contracts across the CoA.

Recommendation(s):

Internal Audit recommends the CoA consider the following:

1. As part of the contract management guidelines, ensure relevant training is provided to the Contract Managers and other stakeholders within the wider CoA Contract Management Team where necessary.
2. An annual refresher course should be considered to ensure Contract Managers are regularly informed and trained in governance and industry best practice.
3. A register to be implemented to ensure all periodic and one-off trainings are provided to and completed by relevant CoA personnel. This register should be equipped to flag periodic refresher or upgrade requirements of trainings.

Moderate

Agreed Management Actions

1. As per Agreed Management Action (AMA) 3 from Finding 2.
2. Once the training assets have been developed, an annual series of training will be scheduled for relevant users by the Learn and Perform Team.
3. As per the previous AMA, the Learn and Perform Team manage all training.

Responsibility: Manager, Finance & Procurement

Target Date: 31 December 2024



Finding 4 – Gaps in contract management guidelines and governance

Finding(s):

Internal Audit identified gaps in the CoA's current contract management guidelines and overall governance, including:

Guidelines

- **Limited controls and guidance for Contract Managers:** Currently, the Procurement and Contract Management Guidelines outline at a high-level the requirement for the different controls to manage contracts. However, these controls are not sufficient for Contract Managers to efficiently manage contracts, including performance and relationship management, risk and records management. Furthermore, there are inconsistencies in practices to manage contracts across the CoA, due to a lack of overarching guidelines.
- **Insufficient categorisation and assessment of contracts based on the monetary value of contracts:** Internal Audit observed a lack of sufficient oversight over contracts relative to their monetary value and the risks associated with those contracts. This includes the absence of a formalised process in place to assess the risk of contracts based on monetary value and other key risk factors.
- **Document retentions:** Centralised storage of contract documentation was observed as being inconsistent (*Refer to Finding 5 for additional details*).
- **Definition of Contract Managers:** Through stakeholder consultation, a clear definition of Contract Manager, Contract Owner and Project Manager, was not consistently understood across the CoA, leading to miscommunication and confusion across the CoA.

Governance

While there are some governance bodies in place such as the Strategic Risk and Internal Audit Committee, an overarching Committee or Leadership Group is not in place that monitors strategic and contract performance, including proposed contract strategies for future contracts of similar nature.

(continued on the following page)

Recommendation(s):

Internal Audit recommends the CoA consider the following:

1. Modify the Contract Management Guideline to include contract management plan, checklist and procurement plan guidelines that are consistent with the CoA's contract management practices.
2. Consider creating thresholds and classifications for contracts based on a contracts' monetary value to adequately assess the risks associated.
3. It is recommended the CoA clearly defines the role descriptions of Contract Managers and Projects Managers in the contract management guidelines.
4. Consider implementing, on a risk-based approach as part of the contract profiling process (*Finding 1*), a governing body or committee for operational and strategic contracts where there is a significant risk profile to the Council (focus on oversight, not as a decision making body). Furthermore, ensure regular key contract activity reporting (contract value, number and cost of variations, spend, claims/disputes, etc.) is conducted as required (*Further discussed in Finding 6*).

Moderate

Agreed Management Actions

1. These recommendations will be undertaken as part of the review of the Procurement Policies and Guidelines.
2. These recommendations will be undertaken as part of the review of the Procurement Policies and Guidelines.
3. In addition to AMAs 1 and 3 from Finding 2, this will be undertaken as part of the review of the Procurement Policies and Guidelines.
4. The Senior Leadership Team (SLT) is made up of Associate Directors and Corporate Service Managers. The primary purpose of SLT is to ensure effective planning and prioritisation with an enterprise-wide view, to support the effective delivery of Council's Strategies, Services, Programs and Projects. SLT meet on a fortnightly basis, it is recommended that this group is the initial oversight body, to discuss on a bi-monthly basis. Minutes and actions arising are then to be provided to Strategic Risk and Internal Audit Group (SRIA).



Finding 4 – Gaps in contract management guidelines and governance

Finding(s):

(continued from previous page)

There is a requirement to improve the governance monitoring over effectiveness of contract management at the CoA for non-construction high risk contracts. This governance monitoring would form a key control to cover the following associated contract management areas:

- Escalating non-compliance and assurance related issues over unnecessary risk and commercial exposure (e.g. contractor incidents and claims).
- Contract spend profile vs commitment, including oversight of the overall contract spend vs contracted amount.
- Escalation mechanism to deal with contractual high risk issues and potential commercial conflict of interest issues.

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Performance monitoring and dashboard reporting of key contract metadata (e.g. risk management, contracts due for renewal, contracts exceeded procurement delegation etc.), to assist data driven informed management decision making. It is acknowledged the PCMS upgrade will assist with performance monitoring and reporting.

- Consider various improvement initiatives to improve the respective contract management framework approach to be more effective, dynamic and fit for purpose.
- Lessons learned into the CoA's repository to benefit future contracts.

Risk(s):

- Inadequate governance oversight in place over high risk/strategic, can lead to risk exposure and/or excessive contract spend.
- Contract management activities across the CoA may be undertaken inconsistently and at varying levels of effort.

Recommendation(s):

Moderate

Agreed Management Actions

Responsibility: Manager, Finance & Procurement

Target Date:

31 December 2024



Finding 5 – Inconsistencies identified in the records management of contracts

Finding(s):

Currently, the CoA does not have a single source of truth for Contract Managers to consistently monitor and record contract management activities.

Through sample testing of five (5) contracts a large variability in data captured and record management was identified across each area of the CoA, including inconsistencies in the systems utilised for record keeping and integration of systems as outlined below:

- Currently, there are four (4) systems in place across the CoA for contract management, including Content Manager, PCMS, SkyTrust and TechOne, with a lack of integration among the different systems.
- The Contract Managers utilise Content Manager to record all contract documents. Additionally, PCMS captures hyperlinks to documents stored in Content Manager and monitor key contract information, however the Contract Managers lack access to PCMS, resulting in gaps to update the links in the system.

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Due to the lack of access to PCMS, it was observed that four (4) out of five (5) Contract Managers, were unaware of the automated emails sent from PCMS, to notify the contractors of insurances nearing expiration, leading to duplicate independent requests sent out to the contractor by Contract Managers.

- It was advised that the Procurement Team creates contract containers/folders in Content Manager for the Contract Managers to record and manage documentations. However, it was observed that for one (1) of the five (5) contracts sampled, there was no record of a container created in Content Manager by the Procurement Team. Instead, the Contract Manager created the container. Additionally, it was evidenced the CoA staff has unrestricted access to the contract folders in Content Manager.

Best practice includes management of risks, performance, milestones, incidents and attach supporting documentation in a central location, creating a single source of truth in relation to contracts and aiding to a consistent approach for contract management.

Risk(s):

- Documents are not kept up to date and integrated between sources.
- Lack of awareness can cause duplication of efforts and inefficient use of resources.

Recommendation(s):

Internal Audit recommends the CoA consider the following:

1. Consider providing Contract Managers access to PCMS and utilise the system as the primary source to manage and record contract details. Additionally, ensure relevant PCMS user training is provided to the Contract Managers.
2. Clearly communicate the system controls in place to the Contract Managers to avoid duplication of works.
3. Consider restricting access to contract containers in Content Manager for staff who are not required to access the documents.

Low

Agreed Management Actions

1. A review of user access will be performed by the Procurement & Contract Management team and training to be provided if required.
2. This will be undertaken as part of the review of the Procurement Policies and Guidelines.
3. No action required. While there may be some legacy containers with non-optimal restrictions, access to contract containers is managed by the container creator, which for contracts that Procurement manage, is done by the Procurement Team.

Responsibility: Manager, Finance & Procurement

Target Date:

1. 31 December 2024
2. 31 December 2024
3. N/A



Finding 6 – Inconsistent oversight and monitoring of contracts

Finding(s):

There is a lack of rigorous tracking and oversight of contracts across the CoA, with respect to:

- Ongoing contract performance management reporting.
- Monitoring and management of spend against contract value.

Specifically, the following gaps and inconsistencies in contract reporting and monitoring performed across the CoA were observed:

- For four (4) of five (5) contracts sampled, it was noted the contract performance measures in place were effective to manage performance, which has contributed to the contractor consistently improving. However, one (1) of the sampled contracts (contract T2022 0072 00), did not appear to have adequate processes and procedures for managing contract performance.

Additionally, it was evidenced that the results of periodic meetings with the contractor are summarised in a report and retained in Content Manager, by the Contract Manager. The report includes contract performance against the KPIs, incidents occurred during that period and suggestions for improvements. However, it is noted that there is no formal distribution of this report to relevant stakeholders across the organisation.

- It was advised that for one (1) of the five (5) contracts (*Contract T2022 0006 00*) sampled, a bi-monthly report is provided to the Emergency Management team, who then provides a synthesised report to the SRIA. However, this reporting structure is not formalised or required for other contracts across the CoA.
- Currently, there is no dashboard reporting of key contract data, including risk management and contracts due for renewal, to assist data driven informed management decision making.

Risk(s):

- Inadequate governance oversight in place over strategic contracts, leading to risk exposure and/or excessive contract spend.
- Lack of transparency and understanding by the Council of the objectives of contracts.

Recommendation(s):

Internal Audit recommends that the CoA develop a consolidated reporting structure, to keep the Council and the ELT regularly informed of contract activities, including:

1. Implementing dashboard reporting for all contracts, which should include contract performance and the budget spent to date.
2. Defining reporting frequency (based on value risk profile per Finding 1), format and key metrics to be provided to the Elected Members.
3. Consider automating various contract management activities, such as reporting, as part of the PCMS upgrade.

Low

Agreed Management Actions

Following the upgrade of the PCMS system, reporting enhancements will be implemented.

This will include a tool (format and system to be determined) to enable the reporting of contracts. This will include, but not limited to the following:

- Contract Value
- Purchase Orders raised against the contract
- Spend against contract
- Key performance indicators.

Following the development of the tool, the reporting frequency will be determined and approved by the Executive team.

Responsibility: Manager, Finance & Procurement

Target Date: 31 December 2024



PIO 1 - Opportunity for uplift of utilisation of supporting system

Opportunities:

It is observed that there is a lack of integration among the different systems, which creates a risk of inefficient utilisation of resources.

While PCMS has the capability to generate automated reports (such as reminders for insurance renewals) and evaluate the contract in terms of financial position and provide overall management reporting, the CoA is currently not utilising this system functionality.

Recommendation(s):

There is an opportunity for the CoA to utilise the current systems to automate financial and management reporting to track the overall performance of the contract.

PIO

Agreed Management Actions

As part of the PCMS upgrade, a review of current systems will be performed to improve management reporting.

Responsibility: Manager, Finance & Procurement

Target Date: 31 December 2024

Appendices

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3. Classification of Internal Audit Findings	23
4. Disclaimer	



Appendix 1 – Scope and Approach

Objective

The objective of this internal audit was to review the CoA's overarching contract management framework with a specific focus on contract management in relation to the post-contact award process.

Scope

To address the overall objective above, the scope of this internal audit included a review of the CoA's key contract management policies and procedures post-award, including:

- Governance, resources, and clarity of roles and responsibilities in relation to contract management.
- Systems and processes in place to support contract management, including robustness of records management.
- Risk management processes to ensure key contract risks are identified and monitored.
- Financial management and oversight, including verification of contract expenditure, and financial monitoring and reporting.
- Documentation and authorisation requirements of contract variations and extensions.
- Compliance monitoring of contract obligations, commitments, and service requirements.
- Relationship management, including escalation and resolution management over non-compliance and disputes.
- Management of contract performance, including management of contract variations, achievements of KPI's and the ability of the contractor to meet the terms of the contractual arrangements.

Scope exclusions:

The scope of this review excluded a detailed review of the CoA's contract management process pre-awards and variations.

Approach

This engagement was performed using the following approach:

- Review of the systems, processes, tools and procedures in place to support contract management.
- Consultation with relevant stakeholders to obtain an understanding of the contract management processes and key controls in place for the management of contracts post-award.
- Sample testing of key controls for an agreed sample of 5 contracts.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- Drafting and finalisation of an internal audit report outlining internal audit findings, recommendations and any performance improvement opportunities.

Appendix 2 – Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the outputs of this engagement.



Personnel	Role
Jason Barnden	Security and Emergency Management Coordinator
Aaron Brewer	Technical Officer, Facilities Maintenance
Silvana Ciappina	Operation Support Officer
Simon Cope	Team Leader, Procurement and Contract Management
Janet Crook	Team Leader, Corporate Governance & Legal
Lauren Jones	Technical Officer, Waste & Cleansing
Lisa Loveday	Manager, City Safety
Shane Moeller	Work Group Leader, Facilities Maintenance
Annette Pianezzola	Risk and Audit Analyst
Anthony Spartalis	Manager, Finance and Procurement
Georgia Stoilov	Regulatory Services Project Officer
Nicole van Berkel	Team Leader, Finance Planning & Reporting
Tania Wingham	Team Leader, Waste & Cleaning



Appendix 3 – Classification of Internal Audit Findings

The following framework for internal audit ratings has been developed and agreed with the CoA's Management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in reports will be discussed and rated with the CoA's Management.

Rating	Definition	Examples of business impact	Action(s) required
Extreme/Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Detrimental impact on operations or functions. • Sustained, serious loss in reputation. • Going concern of the business becomes an issue. • Decrease in the public's confidence in the CoA. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening.	• Requires immediate notification to the CoA Audit Committee via the Presiding Member. • Requires immediate notification to CoA's Chief Executive Officer. • Requires immediate action planning/remediation actions.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Major impact on operations or functions. • Serious diminution in reputation. • Probable decrease in the public's confidence in the CoA. • Major decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries.	• Requires immediate CoA Director notification. • Requires prompt management action planning/remediation actions.



Appendix 3 – Classification of Internal Audit Findings (Continued)

Page 28	Moderate	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives.	• Moderate impact on operations or functions. • Reputation will be affected in the short-term. • Possible decrease in the public's confidence in the CoA. • Moderate decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Medical treatment required.	• Requires CoA Director and/or Associate Director attention. • Requires short-term management action.
	Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Minor impact on internal business only. • Minor potential impact on reputation. • Should not decrease the public's confidence in the Council. • Minimal decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • First aid treatment.	• Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).



Appendix 4- Disclaimers

Inherent Limitations

This report has been prepared as outlined in the Executive Summary of this report. The services provided in connection with the engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, City of Adelaide's management and personnel. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with City of Adelaide. The internal audit findings expressed in this report have been formed on the above basis.

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Document Classification: KPMG Confidential

Culture Survey Review - KPMG

Strategic Alignment - Our Corporation

Public

Friday, 8 November 2024

Audit and Risk Committee

Program Contact:

Kathryn Goldy, Acting Manager
Governance

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit was performed to assess the efficacy of the CoA's Culture Surveys and review the CoA's progress in implementing previously identified cultural improvement actions.

This audit aligns with the Strategic Risk – Organisational Culture: Poor organisational culture.

The internal audit identified five findings. Two are risk-rated High and two are risk-rated Moderate. One Improvement Opportunity was identified.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

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.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Culture Survey Review Internal Audit report provided as Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
 2. Endorses the response of the Administration to the Culture Survey Review Internal Audit report as outlined in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
-

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	Not as a result of this report
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 largely on compliance, risk management and improvement opportunities. As such audits 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. The KPMG report (Attachment A) cost \$25,000 from the 2023/24 budget.
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 Culture Survey Review was performed by KPMG, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with the City of Adelaide (CoA) Strategic Risk – Organisational Culture: Poor organisational culture.
3. The Culture Survey Review Internal Audit focussed on the efficacy of the CoA's Culture Surveys and review of the CoA's progress in implementing previously identified cultural improvement actions. This included evaluating the CoA's ability to analyse survey results and translate these into effective culture improvement actions as well as assessing leadership accountability regarding culture and implementing culture initiatives.
4. The objective of the Culture Survey Review Internal Audit included the following:
 - 4.1. Review of the structure, content and frequency of the Culture Survey.
 - 4.2. Review the effectiveness of survey results analysis, communication of survey results and the ability to translate survey results into cultural improvement actions.
 - 4.3. Review the accountability mechanisms in place to execute identified cultural improvement actions.
 - 4.4. Review leadership's perception of their roles and accountabilities regarding culture and culture initiatives.
 - 4.5. Consideration of the CoA's assessment of cultural improvement action timeframes.
 - 4.6. Identify gaps and challenges in the CoA's execution and assessment of cultural improvement actions.
5. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Communication of survey results and culture improvement actions	High
Staff confidence in the culture survey process requires strengthening	High
Accountability mechanisms for the execution of culture improvement actions	Moderate
Leadership accountability regarding culture improvement action plans	Moderate
Structure, content and frequency of Culture Surveys requires improvements	Improvement Opportunity

6. Administration has considered the findings and provided actions and time frames to address them, outlined in the findings section of KPMG's Culture Survey Review (Attachment A).
7. Management action to Finding 1 to the Culture Survey Review with a due date of 30 October 2024 has been completed.
8. Management action 1, 2 and 3 to Finding 2 to the Culture Survey Review with a due date of 31 August 2024 has been completed.
9. Management action 1 and 2 to Finding 3 to the Culture Survey Review with a due date of 30 October 2024 has been completed.
10. Management action 1, 2 and 3 to Finding 4 to the Culture Survey Review with a due date of 31 August 2024 has been approved by the Chief Executive Officer for an extension to 31 December 2024. Management action 4 to this finding has been completed.
11. Management action 1 to PIO 1 to the Culture Survey Review with a due date of 31 August 2024 has been completed.

ATTACHMENTS

Attachment A – Culture Survey Review

- END OF REPORT -



Culture Survey Review

Internal Audit Report
City of Adelaide

July 2024



Acknowledgement of Country

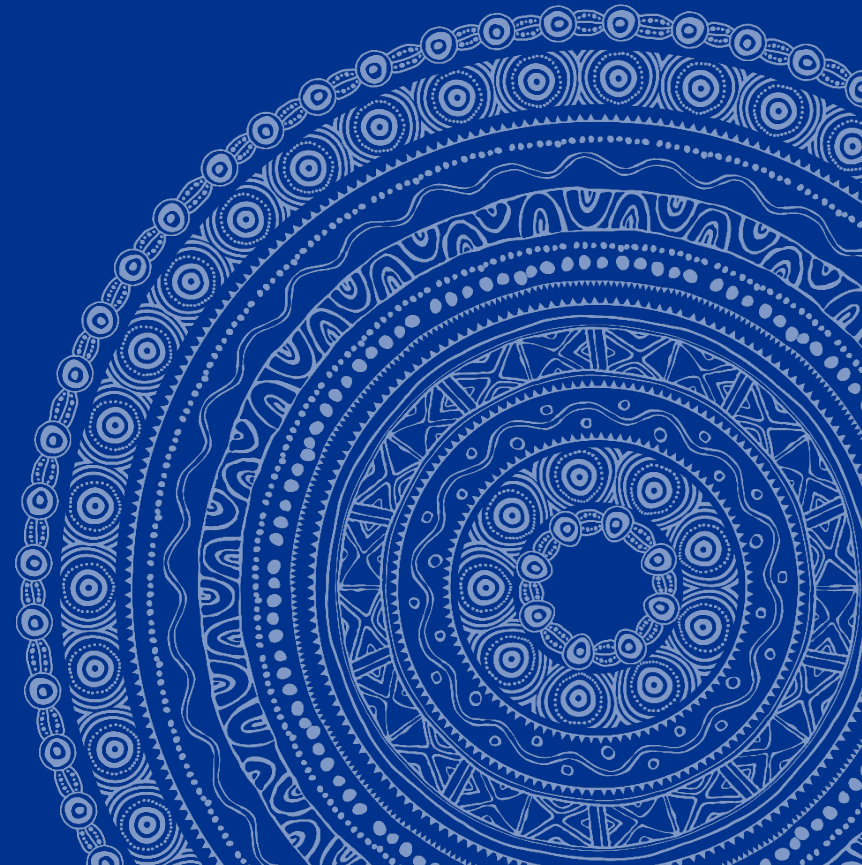
KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.



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Executive Summary

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide Administration ("CoA"), an internal audit focussing on the CoA's progress in implementing cultural improvement actions has been performed. The objective, scope and approach for this internal audit project are outlined below.

Objective

The objective of the internal audit was to assess the efficacy of the CoA's Culture Surveys and review the CoA's progress in implementing previously identified cultural improvement actions. This included evaluating the CoA's ability to analyse survey results and translate these into effective culture improvement actions as well as assessing leadership accountability regarding culture and implementing culture initiatives.

Scope

To address the overall objectives above, the scope of this internal audit included the following:

Review of the structure, content and frequency of the Culture Survey.

Review the effectiveness of survey results analysis, communication of survey results and the ability to translate survey results into cultural improvement actions.

- Review the accountability mechanisms in place to execute on identified cultural improvement actions.
- Review leadership's perception of their roles and accountabilities regarding culture and culture initiatives.
- Consideration of the CoA's assessment of cultural improvement action timeframes.
- Identify gaps and challenges in the CoA's execution and assessment of cultural improvement actions.

Scope exclusions:

The scope of this internal audit excluded reviewing the culture at the CoA and the development of new survey questions or approaches.

Positive Observations

Overall, it was noted several changes have been implemented by the CoA since the last Culture Survey was delivered in 2022 which will improve the Culture Survey process.

The following positive observations were identified during this internal audit:

- As a result of past Culture Surveys, the People team are running various culture initiatives such as Teams Achieving Greatness (TAG) Awards.
- The People team has recently expanded its organisational psychology capability through new additions to its leadership and to the broader team.
- Selection of Culture Amp as the new survey tool, a user-friendly platform to streamline the Culture Survey process and includes survey analysis and benchmarking capability.
- The CoA is currently drafting a Workforce Strategy which will include organisational culture objectives, actions and KPIs.

Summary of Findings

The findings and performance improvement opportunities (PIO) identified during this internal audit are shown in the table below with detail of the findings in this report. Classification of internal audit findings are detailed in Appendix 4. These findings and recommendations were discussed with the CoA CEO and Executive Leadership Team (ELT). The ELT has accepted the findings and has agreed action plans to address the recommendations.

It is recommended the CoA addresses the two (2) findings rated as high prior to issuing the next Culture Survey.

Critical	High	Moderate	Low	PIO
-	2	2	-	1



Background (1/2)

Introduction

This report details the findings of the internal audit conducted on Culture Surveys implemented at the CoA. Culture Surveys aims to assess the current state of the CoA's organisational culture and gather employee feedback for the CoA to develop action plans to address challenges and improve future Culture Surveys. Culture Surveys are owned by the Executive Leadership Team (ELT) and delivered and driven by the People team. Action plans resulting from the surveys are driven by individual teams.

The last Culture Survey was conducted in May 2022 and it is noted that survey participation fell from 69% in 2021 to 59% in 2022.

Importance of Monitoring Culture

Monitoring culture is not just about employee satisfaction and engagement, it is a strategic investment in any organisation's overall success, directly linked to strategic planning and workforce planning. A positive culture and work environment leads to a more productive and engaged work force that ultimately better serves the community and delivers on strategic outcomes.

The following outlines the anticipated benefits of monitoring culture for the CoA:

- Improved talent retention and attraction
- Improved employee engagement
- Improved performance and service delivery
- Elevated reputation and community trust
- Reduced risks such as psychosocial risk
- Meeting legislative requirements

Best Practice Culture Survey Design

Based on KPMG's experience, in order to monitor culture the leadership needs to first define the desired organisational culture and the cultural outcomes they want to achieve. Aligned culture performance indicators that are measurable through culture surveys and pulse surveys should then be defined. This allows organisations to track progress and assess the effectiveness of their culture journey over time.

A key element of monitoring culture is measuring employee engagement. Engagement refers to the level of connection, motivation, and commitment employees feel towards their work and the organisation. It is a multi-faceted concept that goes beyond job satisfaction.

Best practice culture survey design involves the leadership first identifying key culture performance indicators. Without setting clear KPIs and targets for culture, it is difficult for the CoA to use Culture Surveys as a tool for data driven decision making, to identify areas for improvement and to measure progress in relation to culture improvement.

Overview of Culture Survey Tools at the CoA

The following outlines a history of the culture survey tools used at the CoA for the past 5 years. In addition to the Culture Surveys, the CoA ran a 'Healthy Minds Well-being Index' survey in May 2020, August 2021, and a 'Thrive at Work' survey in April 2023 that were not included as part of this review.

Date	Survey Tool	Survey Design Comments from the CoA
Sep 2019	Denison Culture Survey	External tool – Designed by Denison in consultation with the CoA
Dec 2019	Denison Waggl Culture Check-in Pulse	External tool – Designed by Denison in consultation with the CoA
May 2021	Culture Survey Qualtrics CX	Internal tool – Designed internally, questions aligned to People Experience Commitment and previous survey questions
Nov 2021	Pulse Check via Qualtrics CX	Internal tool – 7 of the same key questions from Culture Survey to measure trends
May 2022	Culture Survey via Qualtrics	Internal tool – Minor tweaks made to previous Culture Survey
June 2024	Culture Amp Culture Survey	Currently in development –The CoA will utilise the templates available via Culture Amp (designed by 'People Scientists') with minor tweaks to suit the CoA

Background (2/2)

Overview of Culture Survey Tools (continued)

Over the years, the Culture Survey tool has undergone numerous changes, leading to modifications in the survey questions. In response to budgetary constraints, the 2021 Culture Survey moved from an external platform to in-house. Consequently, this has posed challenges for the CoA in effectively measuring trends and insights overtime. This is further exacerbated by leadership turnover which has created challenges for the accountability over survey results and the implementation of action plans.

Acknowledging the importance of the Culture Surveys and feedback mechanisms to the CoA, additional funding has been apportioned to these activities in the 2023 budget. The CoA has recently selected Culture Amp as the new culture survey tool which is a positive step towards uplifting the CoA's culture monitoring capability.

Implementation of Culture Improvement Actions

Since the last Culture Survey in 2022, the successful implementation of culture improvement action plans across various programs and portfolios has been limited. However, the People team has implemented several culture initiatives:

- Diversity and Inclusion
- Leadership programs
- Revitalising the Employee Value Proposition
- Rewards and Recognition (Teams Achieving Greatness - TAG award)

However, it is unclear to the organisation how these initiatives relate to the actions from Culture Surveys. Overall, it is not clearly understood across the CoA what actions and outcomes have come out of past Culture Surveys.



The CoA Strategic Plan 2024 – 2028

Our Community: Vibrant, connected and inclusive

Our Environment: Resilient, protected and sustainable

Our Economy: Growing, innovative and responsive

Our Places: Interesting, purposeful and safe

Our Corporation: High performing, customer-centric and bold

The following outlines the commitment to create a strong culture at the CoA in the new Strategic Plan.

Outcome	Key Actions	Indicators
People Engagement	Create an organisational culture that enables bold and experienced leadership, where our people thrive and are proud to work, making the City of Adelaide an employer of choice.	Deliver and maintain a Workforce Strategy by 2024. Action recommendations arising from employee feedback tools and risk assessment to generate positive employee outcomes.



Internal Audit Findings

Internal Audit identified two (2) high, two (2) moderate and one (1) PIO finding during the review. The details of the findings are provided in the 'Detailed Findings' section of this report.



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Rating	Ref #	Description
High	F1	Communication of survey results and culture improvement actions
High	F2	Staff confidence in the culture survey process requires strengthening
Moderate	F3	Accountability mechanisms for the execution of culture improvement actions
Moderate	F4	Leadership accountability regarding culture improvement action plans
PIO	PIO1	Structure, content and frequency of Culture Surveys requires improvements



Finding 1 – Communication of survey results and culture improvement actions

Observation:

The communication of Culture Survey results and culture improvement actions has not clearly articulated the link between Culture Survey feedback, implemented culture improvement actions, and overall survey outcomes.

It is critical that survey results are shared in a sensitive manner aligned to best practice. Communication of the survey results is important to foster psychological safety amongst staff and leaders at the CoA. The risk of poor communication is the impact it can have on organisation culture; posing psychological safety risks, staff disengagement, low morale and high staff turnover.

Specifically, our review noted the following items:

- For the latest Culture Survey (in May 2022), with the intent of being open and transparent, a decision was made by the leadership to publish all survey responses for all staff to see. This included all verbatim responses to the open text section of Culture Surveys which contained highly sensitive comments. It is noted that staff were notified of this in the FAQs document that was issued prior to the survey taking place. The identities of the respondents, and the leader the verbatim comment refers to, in some cases were easily identified. This was reported to have created significant negative impacts to staff morale and created leadership anxiety.
- In the past, the communication of survey results has been reliant on individual leaders i.e. Managers and Team Leaders to discuss with their respective teams. Whilst discussion guides and other resources were provided to support leaders, there is a lack of evidence regarding actions taken to prepare and support leaders for these conversations with their teams. In some cases, leaders were not trained to facilitate this conversation which has resulted in mis-interpretation of results and downstream effects on culture and the perception of the survey.
- Culture initiatives that are currently running have not been linked back to the Culture Surveys in their communication. In addition, communication regarding the progress and follow up of action plans could be strengthened. As a result, there is a lack of awareness amongst staff regarding actions and outcomes resulting from past Culture Surveys.

Recommendation(s):

- It is recommended that the CoA considers the following in the context of developing a communication strategy for the next Culture Survey:
 - It is strongly recommended that the CoA does not share all verbatim survey responses with all staff. Verbatim responses should only be shared to the ELT and Senior Leadership Team (SLT) after they have been deidentified.
 - The CoA should consider having people with the required knowledge, skills and experience in Organisational Development to communicate the survey results and feedback to the CoA. The CoA should also consider the benefits and costs to using an external, independent authority to further improve the effectiveness and legitimacy of this process.
 - Consider training leaders across the organisation in the communication of survey results to ensure leaders are engaging in follow up conversations with their teams.
 - A communication strategy for the next Culture Survey should clearly articulate why the CoA is doing another Culture Survey, the desired outcomes of doing the survey, a standardised approach for communicating survey results and action plans.
 - A clear connection between actions and survey feedback needs to be established. For example, including in the communications *'the CoA are implementing this initiative following feedback in the Culture Survey'*.
 - Communication of a council-wide action plan from a leadership perspective.
 - Clearly outline a standardised approach for post-survey follow ups on actions and progress to be used across the CoA.

High

Agreed Management Action(s):

- Communication strategy to be developed and shared with the ELT and the SLT prior to survey roll out, including:
 - De-identified comments to only be shared with the ELT for the whole organisation, and shared with the SLT at the program level (if required).
 - Ensure the ELT and the SLT are debriefed appropriately and know their responsibilities moving forward to support survey actions.
 - Communication of organisational action plan with the alignment of actions with survey results.
 - Establish plan and platforms to be used for regular reporting to all staff on Culture Survey initiatives and outcomes.

Responsible Person:

Manager, People

Target Date:

October 2024

Finding 2 – Staff confidence in the culture survey process requires strengthening

Observation:

Through stakeholder interviews the following observations were noted:

- It was reported that a negative perception exists from the previously issued Culture Survey amongst some staff at the CoA. This included multiple interviews reporting that staff are disengaged with the survey process due to the perceived lack of clear actions taken as a result of the past Culture Survey. Without clear accountability and follow through from leadership, Culture Surveys are viewed by some staff as “a tick the box exercise”, not as a useful tool to drive change.
- There are significant concerns amongst staff around the anonymity of survey results. It has been reported that a history exists of responses being easily linked back to respondents due to comments not being thoroughly de-identified before publication as well as the reports provided to smaller teams. This is reported to have resulted in individual leaders behaving poorly in response to negative feedback which has created significant negative impacts to culture and staff morale.

Page 43 It was reported through stakeholder interviews that there is a perceived lack of trust regarding the Culture Survey process amongst staff. As a result, there may be challenges for the People team in successfully delivering the next Culture Survey. The following risks should be considered:

- Limited survey uptake and low participation rate for the next Culture Survey.
- Staff concerns regarding negative consequences for providing honest feedback hinders the CoA’s ability to identify genuine culture issues.
- An ineffective culture survey process will further reduce staff confidence in the process and result in missed opportunities to improve engagement.

Recommendation(s):

- In order to rebuild trust in the Culture Survey process at the CoA, the CoA should consider the benefits and costs for next Culture Survey to be run by an independent external authority with organisational psychology and organisational culture expertise.
- Alternatively, if the next survey is run by the People team a complete repositioning and improvement of the Culture Survey is required. This rebrand should include carefully curated communication which considers;
 - Emphasising the capability and experience and professional integrity of the People team which has significant organisational psychology expertise.
 - Maintaining the perception of the People team’s role in facilitating the process, and the independence of the survey platform.
 - Communicating that an internal audit has taken place over the culture survey process, acknowledging the gaps of past culture surveys and clearly articulate the learnings and changes being implemented.
- The timing of the next Culture Survey needs to be carefully considered to ensure the readiness of the CoA for another Culture Survey. It is recommended that the agreed action plans to address these audit findings are implemented prior to issuing the next Culture Survey.

High

Agreed Management Action(s):

- CoA to utilise inhouse organisational psychology and organisational culture expertise to develop a plan for the next Culture Survey which considers and clearly outlines responsibilities.
- Use Culture Amp as a platform for the next Culture Survey. Relaunch and rebrand the Culture Survey with a clear purpose and process. Clearly communicate this to staff at all levels throughout the organisation. Communications plan to emphasise the integrity and experience of the People team in facilitating Culture Surveys.
- Project plan for the next Culture Survey to include clear indication of how the audit actions will be addressed. Survey to be conducted following endorsement of approach by the ELT that the proposed strategy addresses audit recommendations.

Responsible Person:

Manager, People

Target Date:

August 2024



Finding 3 – Accountability mechanisms for the execution of culture improvement actions

Observation:

Through stakeholder interviews and document review the following gaps in the execution of culture improvement actions were noted:

- Whilst tools such as action plan templates were developed and shared with leaders, there is currently no formal, standardised process in place for translating survey results into an action plan. There is a heavy reliance on leaders to host team meetings to discuss results and to identify actions themselves. As a result, efforts to develop action plans varied across the CoA, with some teams doing this well and for other teams no action plan was formed.
- The CoA has not clearly articulated its culture challenges and risks, and its ability to devise actions to address these requires improvement. It was reported that in some cases it was difficult for leaders to determine what certain results meant. Some of the actions that were identified were reported to be “superficial” or “easy to implement” and did not address the core problems presented.
- Action plans often lacked defined roles and responsibilities, assigned owners and timelines for implementation. The current process is highly reliant on individual leaders to proactively drive the implementation of action plans themselves.
- Overall, there appears to be a need for stronger accountability mechanisms in place for the execution of culture improvement actions. It has been observed that progress for teams that devised action plans often stagnated, with little advancement reported even 6-9 months later. Momentum was lost due to business as usual taking priority, staff turnover and the lack of frequent structured follow ups.
- There has been no tracking or measuring of progress with these action plans. In 2022, when the People team followed up with leaders a few months after the Culture Survey, only 8 out of 120 leaders came back with updates on progress

If actions are not taken to address the above, there may be limitations in the CoA's ability to effectively improve the culture at the CoA, which creates the risk of negatively impacting staff engagement, morale, staff turnover and service delivery.

Recommendation(s):

1. The CoA should establish a formal, standardised process for survey analysis and translation of survey results into action plans. This should include a standardised approach for extracting meaning from survey results, utilisation of appropriate quantitative and qualitative data analysis techniques, synthesis of results into themes, prioritisation of culture challenges and translation of these into action plans. It is recommended that the People team or an independent, external authority facilitate the above process.
2. It is recommended that clear accountability mechanisms for the execution of culture improvement actions are established. This should consider the following:
 - Each action item should be assigned an owner, clear roles and responsibilities and a timeline for completion. A RACI matrix can be used for this.
 - Each action item should have defined measurable objectives to monitor its progress and impact.
 - Action plans should be co-designed with the relevant stakeholders, for example the organisation action plan should be developed with the ELT or Wider Leadership Team.
 - Regular communication and updates should be facilitated to inform staff on progress of action plans to encourage engagement, traction and momentum.
 - Utilise a formal standardised process and system to log actions, assign owners and timelines, where progress can be tracked and monitored by everyone involved.
 - The process of monitoring accountability should be owned by the People team with ELT buy in and support to keep leaders accountable for their action plans.

Moderate

Agreed Management Action(s):

1. Document the process for quantitative and qualitative data analysis (including identification of themes and focus areas) and the translation of survey results into action plans.
2. Establish the following accountability mechanisms:
 - Utilise Culture Amp as a platform for supporting the implementation of culture improvement actions.
 - Ensure action plan templates are aligned to SMART goal setting principles with clear leads, outcomes, measurables and timeframes.
 - Establish regular communication processes to keep staff informed on the progress of the organisational action plan.
 - Establish a clear reporting process for leaders to report on progress for program and team action plans.

Responsible Person:

Manager, People

Target Date:

October 2024



Finding 4 – Leadership accountability regarding culture improvement action plans

Observation:

The following gaps in leadership accountability regarding culture improvement action plans were observed:

- The CoA has experienced significant leadership turnover, as a result during the last Culture Survey (in 2022) limited actions implemented from the survey results. An issue of continuity exists as many of the leaders that were there for past Culture Surveys are no longer at the CoA.
- There is a lack of top-down accountability of survey results and culture improvement actions, instead there is a heavy reliance on individual leaders and the People team to drive change.
- Organisational culture is not a strategic topic of conversation at the ELT or SLT meetings.
- There is a lack of re-enforcement of messaging and commitment to change from the leadership when it comes to culture improvement action plans.

The above limits the capability of the leadership at the CoA to effectively use the Culture Survey as a tool to improve culture, staff engagement and retention. This may in turn create the following risks:

- The CoA is unable to deliver on its People and Culture objectives and KPIs. Worsening of organisational culture leading to staff disengagement, low morale, high staff turnover and ineffective service delivery.
- Inadequately addressing culture issues may negatively impact the retention of existing staff and the CoA's employer branding limiting the CoA's ability to attract future staff. It also opens the CoA up to public scrutiny and reputational risks.

Recommendation(s):

1. Ensure clear reporting of organisational culture through targets and KPIs that are aligned to the CoA Strategic Plan and the CoA Workforce Strategy. KPIs of the CEO and leaders should also be linked to these organisational culture KPIs.
2. Tie culture improvement action plans to leadership performance reviews.
3. Invest in leadership capability uplift to improve understanding of what culture is and the role leaders play in influencing cultural improvement.
4. Culture should be a strategic priority. Consider adding culture as a standing agenda item in the ELT and SLT meetings and giving regular updates to staff on the progress of culture improvement action plans through existing or new forums.

Moderate

Agreed Management Action(s):

1. Implement KPIs relating to culture in the Workforce Strategy.
2. Leader performance reviews to include minimum of one culture related target / KPI.
3. Ensure leaders have the knowledge and skills required to understand and drive culture change within their teams – through training and resource development.
4. Establish standing agenda items regarding culture improvement action plans at the ELT and the SLT meetings.

Responsible Person:

CEO

Target Date:

August 2024

**PIO1 – Structure, content and frequency of the Culture Survey requires improvements****Observation:**

There is opportunity to modify the structure, content and frequency of the Culture Survey to best serve the needs of the CoA, its leadership and its staff. Through stakeholder interviews and review of documentation it was observed that:

- There is ambiguity in some of the survey questions creating uncertainty for staff and variations in interpretations of questions. For example, for questions that referred to “my leader” respondents were unsure which leader the survey question is referring to.
- The Denison Culture Survey, used in 2019 and prior years, took approximately 30 mins to complete with some respondents reporting the duration is too long and discouraged survey completion.
- Strong concerns exist regarding the anonymity of survey results amongst staff. Staff reported cases in the past where the individuals behind survey responses were easily identified.

Culture Surveys show a snapshot of feedback from a point in time and past results were often skewed by the contextual environment of the CoA at the time, for example the Ombudsman report or downsizing of the workforce.

- In the past, the CoA has faced challenges in measuring and comparing survey data year on year to identify trends in culture performance indicators. There is a need for consistency in survey questions and frequent pulse surveying for the CoA to measure its performance in relation to culture.
- Whilst past Culture Surveys have been linked to the CoA’s People Experience Commitment and values, the leadership have not yet defined the desired culture at the CoA or the key culture measurement indicators to be measured as part of the survey.
- Whilst the CoA has measured employee engagement in the past (in the Denison Culture Survey in 2019), more recent Culture Surveys did not specifically measure engagement. As a result the CoA is unable to measure engagement which is a key culture performance indicator for the ELT.

If actions are not taken to address the above, there may be limitations in the CoA’s ability to effectively use the Culture Survey as a tool for data driven decision making regarding improving the culture at the CoA.

Recommendation(s):

1. It is recommended that the CoA considers the following in the next iteration of the Culture Survey:
 - It is recommended that the leadership defines the desired culture at the CoA, and the associated culture performance indicators to be measured in the Culture Survey. This can be done as part of the CoA Workforce Strategy that is currently in draft. Once the Workforce Strategy is finalised, the survey questions will need to be designed according to the commitments in this document.
 - One of these culture performance indicators should be employee engagement. Survey design of engagement questions should be based on an engagement framework and best practice. Engagement questions should be scattered throughout the survey and asked in multiple ways to ensure the accuracy of results.
 - Include definitions for specific terms used in survey questions. This can be done at the beginning of the survey as a glossary or inserted under the relevant question or section.
 - When asking for age data provide age ranges to select from to align with best practice for sensitive data.
 - Aim for a survey completion time of 15 – 20 minutes to encourage higher completion rates.
 - In past Culture Surveys teams with less than 5 people did not have to identify themselves at the program / team level, it is recommended that this threshold should be increased to a minimum of 7 people to protect the anonymity of responses.

(Continued on next page)

PIO**Agreed Management Action(s):**

1. For the next Culture Survey:
 - Provide a glossary of terms (including clear definition of ‘leader’).
 - Establish clear objectives for the CoA’s culture and KPIs.
 - Ensure the Culture Survey has a clear and valid measure of employee engagement.
 - Review demographic questions to ensure survey protects anonymity of staff.
 - Undertake Culture Survey on a biennial basis, with a pulse check every 12 months at a minimum.

Responsible Person:

Manager, People

Target Date:

August 2024

**PIO1 – Structure, content and frequency of the Culture Survey requires improvements****PIO****Recommendation(s):***(Continued from previous page)*

- Further anonymise the demographic questions at the start of the survey. For example, asking for band level instead of role level.
- In terms of survey frequency, it is recommended that a comprehensive Culture Survey is conducted every 2-3 years to set a baseline. Pulse surveys should be used as a targeted tool with its approach dependent on the Culture Survey results and the level of maturity of the team. For example, pulse surveys run every six months for areas of the CoA that require attention, and once a year for teams that are doing well. Pulse survey questions should be focused on specific areas the CoA wants to measure, areas the CoA is doing well in and areas that require improvement.

Appendices

Appendices

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Appendix 1 – Scope and Approach

Objective

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide (“CoA”), an internal audit focussing on the CoA’s progress in implementing cultural improvement actions has been performed. The objective, scope and approach for this internal audit project are outlined below.

Scope

To address the overall objectives above, the scope of this internal audit included consideration over the following areas:

- Review of the structure, content and frequency of the Culture Survey.
- Review the effectiveness of survey results analysis, communication of survey results and the ability to translate survey results into cultural improvement actions.
- Review the accountability mechanisms in place to execute on identified cultural improvement actions.
- Review leadership perception of their roles and accountabilities regarding culture and culture initiatives.
- The CoA’s assessment of cultural improvement action timeframes.
- Identify gaps and challenges in the CoA’s execution and assessment of cultural improvement actions.

Scope exclusions:

The scope of this internal audit excluded reviewing the culture at the CoA and the development of new survey questions or approaches.

Approach

This engagement was performed using the following approach:

- Desktop review of relevant documentation and tools in place relating to the Culture Survey.
- Conduct best practice research on culture survey tools and questions.
- Consultation with relevant stakeholders to understand current approaches, tools and accountability mechanisms in place for the Culture Survey (maximum of 10 stakeholder consultation sessions).
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- Drafting and finalisation of an internal audit report outlining observations, recommendations and any improvement opportunities.



Appendix 2 – Example Culture Survey (continued)

Listed below is a better practice example of a Culture Survey. The following questions have a rating scale of 1. *Strongly Disagree* 2. *Disagree* 3. *Neutral* 4. *Agree* 5. *Strongly Agree*.

Factor	Question
Engagement	I am proud to work for my organisation.
Engagement	I would recommend my organisation as a great place to work.
Engagement Well-being	I am able to sustain the level of energy I need to do my work.
Engagement Well-being	My job provides me with a sense of personal accomplishment.
Engagement	I am willing to put in a great deal of extra effort to help my organisation succeed.
Engagement Work Environment & Enablement	I have easy access to the tools and resources (e.g., hardware, applications, portals, content, insights) I need to do my job effectively.
Engagement Work Environment & Enablement	I do not experience significant barriers to doing my job effectively.
Trust Leadership	I trust the leadership of the firm.
Trust Quality & Risk	My organisation's commitment to quality is apparent in what we do on a day-to-day basis.
Trust Quality & Risk	I believe, I could report unethical practices without fear of negative impact on me.
Trust Corporate Citizenship Purpose Index	My organisation makes a positive impact on society.
Trust Leadership	Partners demonstrate our values in their everyday behaviour and actions.
Trust Quality & Risk	The people I work for demonstrate honest and ethical behaviour.
Trust Values, Vision & Strategy	At this organisation, we uphold our values, even when under pressure.
Growth Innovation	I am encouraged to suggest new and better ways of doing things.
Growth Innovation	My organisation is doing a good job of moving quickly from ideas to implementation.
Growth Collaboration	There is effective collaboration between my function / geography / group and others to produce better outcomes.
Growth Values, Vision & Strategy	The leadership of the firm executes a clear business strategy to achieve Trust and Growth in the market.
Growth Innovation	My organisation does an excellent job anticipating new products and services that our clients will value.
Career Growth	At this organisation, I have opportunities to improve my skills and to develop new ones.
Career Growth	Overall, this organisation is a great place to build my career.
Communication	There is open and honest communication from leadership at this organisation
Communication	There is open and honest two-way communication at this organisation.
Inclusion & Diversity	Partners actively champion inclusion, diversity, and equity in the workplace recognising and respecting the value of differences (differences include but not limited to gender identity, age, etc.).
Inclusion & Diversity	Everyone at this organisation has an equal opportunity to advance regardless of differences (differences include but not limited to gender identity, age, etc.).
Inclusion & Diversity	I am treated with dignity and respect at work.
Inclusion & Diversity	At this organisation, we do not tolerate any form of harassment including gender-based and sexual harassment.
Inclusion & Diversity	I feel safe to raise issues of harassment, sexual harassment, bullying or discrimination without fear of victimisation or negative career implications.
Inclusion & Diversity	I have the flexibility I need to manage my work and other commitments.
Inclusion & Diversity	My immediate supervisor/manager genuinely supports equality between all genders.
Innovation	This organisation has established a culture where one can challenge the "status quo" (our traditional ways of doing things).
Innovation	There is strong commitment to innovation at this organisation.



Appendix 2 – Example Culture Survey (continued)

Factor	Question
Leadership	The leadership of the firm communicates a vision of the future that motivates me.
Learning	The people I work for take an active role in my learning and development (e.g., on-the-job coaching, ensuring I can apply learning, etc.).
Learning	I am satisfied with the learning and development available to improve my knowledge and skills.
Performance	My performance is evaluated fairly.
Performance	The people I work for give me regular feedback that helps me to improve my job performance.
Quality & Risk	My workload allows me the time to deliver work of an appropriate quality.
Reward & Recognition	The people I work for provide me with recognition or praise for good work.
Reward & Recognition	I believe my total compensation (base pay and bonus) is fair for the work I do.
Work Environment & Enablement	I can work where I am most effective to meet client, business and team needs.
Well-being	The amount of work expected of me is reasonable.
Well-being	This organisation shows care and concern for its people.
Well-being	The well-being support provided by the firm is sufficient for my needs.
Values Index Integrity	The people I work with demonstrate high ethical standards.
Values Index Integrity	The people I work with help to create an environment where others can comfortably raise concerns.
Values Index Integrity	The people I work with act with integrity, even when under pressure.
Values Index Excellence	The people I work with take responsibility for their actions.
Values Index Excellence	The people I work with role model a high standard of quality in their work.
Values Index Excellence	The people I work with use feedback sought from others to continuously improve and develop themselves.
Values Index Courage	The people I work with suggest new products or services to improve the firm's value to the market.
Values Index Courage	The people I work with are open to new ideas, such as new ways of doing things.
Values Index Courage	The people I work with challenge the behaviour of others if it is inconsistent with this organisation values.
Values Index Together	The people I work with show care and consideration for others.
Values Index Together	The people I work with ensure different voices are heard, such as inviting the perspectives of people with diverse backgrounds, skills, and life experiences.
Values Index Together	The people I work with collaborate well, such as working with other teams.
Values Index For Better	The people I work with demonstrate that they care about serving our markets and communities.
Values Index For Better	The people I work with demonstrate consideration for the long term implications of their decisions.
Values Index For Better	The people I work with know how their work connects to the positive impact the firm creates.
Purpose Index	This organisation's Purpose 'Inspire Confidence. Empower change', guides the decisions and actions of its people.
Purpose Index	This organisation unites people around the achievement of our firm's Purpose – 'Inspire Confidence. Empower Change'.
Purpose Index	As a firm, this organisation demonstrates commitment to being purpose-led.



Appendix 2 – Example Culture Survey (continued)

In addition to the above questions, there is also a set of multiple choice questions and free text questions as shown below.

Multiple choice questions

- In the last year, on average, how many days per week have you spent working remotely (a location other than this organisation or client office):
- Given your choice, how long would you plan to continue working for the organisation?

Free text questions

- I do not experience significant barriers to doing my job effectively. If you responded Strongly disagree, disagree, or neither agree nor disagree to this question, please suggest what this organisation could do to improve this.
- I have easy access to the tools and resources (e.g., hardware, applications, portals, content, insights) I need to do my job effectively. If you responded Strongly disagree, disagree, or neither agree nor disagree to the last question, please suggest what this organisation could do to improve this.
- The well-being support provided by the organisation is sufficient for my needs. If you responded Strongly disagree, disagree, or neither agree nor disagree to this question, please suggest what this organisation could do to improve this.
- What is the best aspect about working at this organisation?
- What is the most critical area that this organisation needs to address in order to create an outstanding work experience for you?

Appendix 3 – Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the outputs of this engagement.

Personnel	Role
Michael Sedgman	Acting Chief Executive Officer
Tom McCready	Director, City Services
Mike Philippou	Associate Director, Strategic Property & Commercial
Nicole Van Berkel	Acting Manager, Finance
Karen Crompton	Team Leader, Customer Centre
Lisa Loveday	Manager, City Safety
Sue Lawrence	Team Leader, Libraries
Geoff Register	Manager, Infrastructure Delivery
Colleen McDonald	Manager, City Planning & Heritage
Alan Beaton	Team, Leader Safety and Well-being
Louise Williams	Manager, People Services
Michelle Donaldson	Coordinator, Culture and Leadership
Angela Haydon	Team Leader, People Experience
Dr Chanvi Singh	Coordinator, Culture & Leadership
Matt Sexton	Acting Team Leader, Horticulture
Amy Buxton	Community Engagement Support Officer
Janet Crook	Team Leader, Corporate Governance and Legal
Annette Pianezzola	Risk and Audit Analyst



Appendix 4 – Classification of Internal Audit Findings

The following framework for internal audit ratings has been developed and agreed with the CoA's Management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in reports will be discussed and rated with the CoA's Management.

Rating	Definition	Examples of business impact	Action(s) required
Extreme/Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	• Detrimental impact on operations or functions. • Sustained, serious loss in reputation. • Going concern of the business becomes an issue. • Decrease in the public's confidence in the CoA. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening.	• Requires immediate notification to the CoA Audit Committee via the Presiding Member. • Requires immediate notification to CoA's Chief Executive Officer. • Requires immediate action planning/remediation actions.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Major impact on operations or functions. • Serious diminution in reputation. • Probable decrease in the public's confidence in the CoA. • Major decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries.	• Requires immediate CoA Director notification. • Requires prompt management action planning/remediation actions.



Appendix 4 – Classification of Internal Audit Findings (continued)

Rating	Definition	Examples of business impact	Action(s) required
Moderate	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives.	• Moderate impact on operations or functions. • Reputation will be affected in the short-term. • Possible decrease in the public's confidence in the CoA. • Moderate decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Medical treatment required.	• Requires CoA Director and/or Associate Director attention. • Requires short-term management action.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Minor impact on internal business only. • Minor potential impact on reputation. • Should not decrease the public's confidence in the Council. • Minimal decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • First aid treatment.	• Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).



Appendix 5 – Disclaimers

Inherent Limitations

This report has been prepared as outlined in the Executive Summary of this report. The services provided in connection with the engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance will be expressed. Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, City of Adelaide's management and personnel. We have not sought to independently verify those sources unless otherwise noted within the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with City of Adelaide. The internal audit findings expressed in this report have been formed on the above basis.

Third Party Reliance

This report is solely for the purpose set out in the Executive Summary of this report and for City of Adelaide's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. This internal audit report has been prepared at the request of the City of Adelaide or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Adelaide, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to City of Adelaide's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

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2024/25 Business Plan & Budget Quarter 1 Update

Strategic Alignment - Our Corporation

Public

Friday, 8 November 2024

Audit and Risk Committee

Program Contact:

Michelle Arbon, Acting Manager
Strategy, Insights & Performance

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents the performance and delivery status of Council's commitments against the 2024-25 Business Plan and Budget (BP&B) for the first quarter (July to September 2024) for the Audit and Risk Committee's consideration. Included within this report are recommendations for business plan and budget changes, an overview of Portfolio and Project achievements, as well as the performance of Council subsidiaries.

The year-to-date operating position as at 30 September 2024 is an operating surplus of \$4.907m, which is \$0.476m lower than the adopted budget of \$5.383m, for this period.

The year end projected operating position is an operating surplus of \$9.367m which remains consistent with the adopted budget. Total estimated operating income is forecast to be \$235.708m which is \$0.483m higher than the adopted 24/25 budget of \$235.225m. This is mainly due to additional fees and charges of \$0.168m, external grant funding received of \$0.215m and other income of \$0.100m for the sale of gaming machine entitlements. Total estimated operating expenditure (including depreciation) is forecast to be \$226.341m, which is \$0.483m higher than the adopted budget of \$225.858m. This is due to an increase in Strategic Project funding of \$0.626m (through funding AEDA commercial events program \$0.300m, 2023/24 projects continuing into 2024/25 of \$0.269m and new externally funded projects of \$0.057m), additional labour of \$0.099m associated with the increase in fees and charges, and other minor increases of \$0.150m offset by savings in bank fees of \$0.392m.

The year-to-date Capital Expenditure as at 30 September 2024 is \$17.063m, which is \$0.266m higher than the adopted budget of \$16.797m, for this period. This is a result of the continued effort to deliver the 2024/25 capital program.

The Capital Program is proposed to increase by \$10.081m from \$112.831m to \$122.912m as a result of the continuation of 42 projects from 2023/24 of \$9.462m, the receipt of four new grant funded projects \$0.595m and accrued interest of \$0.024m from externally funded projects. The renewal program has been reprioritised to be delivered in line with the adopted budget

Within this period 88% of Strategic Projects and 79% of Capital Projects (excluding renewals) were on track (time and budget). 13.4% of the renewal budget for the financial year has been expended, with 19 renewal projects completed in the quarter.

Quarterly reports are provided to the Audit and Risk Committee in accordance with its Terms of Reference and its role in monitoring the integrity of Council's financial statements and reporting, as well as its role in reviewing and overseeing Council's integrated Business Planning process. This reporting framework supports Council's commitment to transparency and accountability.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the City of Adelaide 2024/25 Business Plan and Budget Quarter 1 Update as provided in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

2. Approves adjustments for the 2024/25 Business Plan and Budget (BP&B) as identified in this report and reflected in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
 3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 30 September 2024, which includes:
 - 3.1. Total operating income of \$59.603m (\$0.788m higher than the budget of \$58.815m, for the period)
 - 3.2. Total operating expenses (including depreciation) of \$54.696m (\$1.264m higher than the budget of \$53.432m, for the period)
 - 3.3. An operating surplus of \$4.907m (\$0.476m lower than the budget of \$5.383m, for the period)
 - 3.4. Total Capital Expenditure of \$17.063m (\$0.266 higher than the budget of \$16.797m, for the period)
 - 3.5. Net cash surplus position of \$27.782m.
 4. Approves the budgeted year end Operating Position, which includes:
 - 4.1. Total operating income of \$235.708m (\$0.483m higher than the adopted budget of \$235.225m)
 - 4.2. Total operating expenses (including depreciation) of \$226.341m (\$0.483m higher than the adopted budget of \$225.858)
 - 4.3. An operating surplus of \$9.367m (consistent with the adopted budget of \$0.9367m).
 5. Approves total capital expenditure of \$122.912m for 2024/25 year (\$10.081m higher than the adopted budget of \$112.831m).
 6. Approves total borrowings of \$23.733m projected to 30 June 2025 (\$29.944m lower than the adopted projected borrowings of \$53.677m to 30 June 2025).
 7. Receives the Council Subsidiary Q1 updates as provided as Attachments B, C, D and E to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Quarterly reporting supports Council's <i>financial sustainability</i> objective within the 2024-2028 Strategic Plan.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Quarterly reporting is an important part of monitoring the organisation's performance and effectiveness against Council's planned activities, which is required under Section 122 (1) of the <i>Local Government Act 1999 (SA)</i> .
Opportunities	Quarterly reporting enables Council to make informed and timely decisions to maintain or change its services, assets, and budgets to meet community expectations and needs, maintaining or improving Council's financial position, and enabling Council to be responsive to risks and opportunities.
24/25 Budget Allocation	Not as a result of this report
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

FINANCIAL SUMMARY

Year to Date

1. The year-to-date operating position as at 30 September 2024 is an operating surplus of \$4.907m, which is (\$0.476m) unfavourable to the adopted budget of \$5.383m surplus, for the period.
 - 1.1. Total operating income of \$59.603m (\$0.788m higher than the budget of \$58.815m, for the period)
 - 1.2. Total operating expenses (including depreciation) of \$54.696m (\$1.264m higher than the budget of \$53.432m, for the period).
2. This variance is driven by:
 - 2.1. Income is \$0.788m favourable to budget due to higher fees and charges across Commercial Parking income \$0.489m and Nursery Sales \$0.083m, as well as additional corporate grants programs \$0.100m (including Financial Assistance Grants).
 - 2.2. Expenditure is (\$1.264m) unfavourable and is largely due to resource costs (employee costs net of external temporary labour backfills) which is (\$1.413m) higher than budget. This is due to the alignment of the salary and wages pay runs in July. The Q1 budget will retime to align to the pay cycles and the revised variance is a favourable position of \$0.114m. Other variances include depreciation of (\$0.538m) reflecting the 2023/24 asset revaluations, offset by favourable timing of materials, contract and other expenditure.
3. The year-to-date Capital Expenditure as at 30 September 2024, is \$17.063m, which is \$0.266m more than the adopted budget of \$16.797m for this period.
4. As of 30 September 2024, Council had a net cash surplus of \$27.782m, with \$2.510m in bank accounts and \$25.272m in deposits.

Projected Annual Financial Summary

5. The proposed Quarter 1 review delivers an end of year operating surplus of \$9.367m (in line with the adopted budget of \$9.367m):
 - 5.1. Total estimated operating income of \$235.708m
 - 5.2. Total estimated operating expenses (including depreciation) of \$226.341m.
6. Operating income increased by \$0.483m from the 2024/25 adopted budget of \$235.225m to the estimated income of \$235.708m. Of that increase, \$0.130m relates to additional commercial parking revenue, \$0.166m for an extension to a long-term lease, \$0.215m for additional grant funding received, \$0.100m for the sale of gaming machine entitlements, and other minor increases of \$0.074m offset by a reduction in forecast property rental income of \$0.202m due to higher than budgeted vacancies.
7. Operating expenditure increased by \$0.483m from the 2024/25 adopted budget of \$225.858m to the estimated expenditure of \$226.341m. The increase is mainly due to an increase in Strategic Project funding of (\$0.626m) (including AEDA Commercial Events funding of (\$0.300m)); additional expenditure associated with the increase in commercial fees and charges of (\$0.164m), offset by a reduction in associated banking fees of \$0.392m, and other minor unfavourable movements of (\$0.085m).
8. Total proposed Capital Expenditure for the year is \$122.912m (increase of \$10.081m compared to the adopted budget of \$112.831m) through the continuation of 42 projects from 2023/24 of \$9.462m, the receipt of 4 new grant funded projects of \$0.595m, and accrued interest of \$0.024m associated with externally funded projects for the quarter. The 42 projects are listed in the table at [Link 1](#).
9. Grant funding to support capital expenditure on new/upgraded assets of \$9.015m (\$1.989m increase to adopted budget of \$7.026m).

10. Council's forecasted borrowings as of 30 June 2025 is reduced by \$29.944m from \$53.677m to \$23.733m as set out in the table below:

Borrowings Reconciliation \$000's	Adopted Budget	Q1 Forecast	Movement
Opening Cash/(borrowings) - Reconciliation provided via E-News on 26/08/2024	(23,593)	1,635	25,228
Operating Surplus	9,367	9,367	0
Net outlays on Renewal of Assets	1,335	(3,654)	(4,989)
Net outlays on New and Upgraded Assets	(32,283)	(43,811)	(11,528)
Receipt of Long term lease extension payment	0	16,400	16,400
Cash payment for rental properties	(4,989)	0	4,989
Movement in Net Payables and Receivables	(3,514)	(3,670)	(156)
Forecast Borrowings as at 30 June 2025	(53,677)	(23,733)	29,944

11. Updated financial statements are provided from page 50 in **Attachment A**.

ADJUSTMENTS TO THE 2024/25 BUSINESS PLAN AND BUDGET

Operating Program

12. Adjustments to Program deliverables and budgets for the quarter are not required, as permanent budget changes are accounted for largely through Strategic Projects budget adjustments:
- 12.1. Permanent changes to the budget of \$0.674m driven by an increase in fees and charges revenue of \$0.331m, additional grant funding of \$0.100m, and net savings in expenditure associated with generating fees and charges revenue of \$0.243m.
 - 12.2. Adjustments to Strategic Projects (temporary in nature) for the quarter total \$0.605m increase in net expenditure (\$0.626m gross expenditure), consisting of:
 - 12.2.1. New funding (a variance increase) is required for three projects, for a total of \$0.397m
 - 12.2.2. Additional funding (a variance increase) is required for six projects, for a total of \$0.299m for projects that are continuing from 2023/24
 - 12.2.3. Decreased funding (a variance decrease) is required for three projects, for a total of \$0.071m
 - 12.2.4. Adjustment to grant funding associated with three projects, for a total increase of \$0.020m
 - 12.2.5. A summary of the status of Strategic Projects is provided further in this report.
 - 12.3. Temporary (one-off) changes to the budget of \$0.068m decrease driven by unbudgeted property vacancies of (\$0.202m), one-off gaming entitlement sales \$0.100m, and other net increase for minor changes of \$0.034m
13. Further detailed information on these changes is available from page 12 (Portfolio updates) in **Attachment A**.

Capital Program

14. Capital expenditure is proposed to increase to \$122.912m for the year, which is \$10.081m higher than the adopted budget of \$112.831m.
- 14.1. New and Upgrade projects show revised expenditure of \$66.890m (\$10.081m increase to the adopted budget of \$56.809m).
 - 14.2. Renewal expenditure remains at \$56.022m.
15. Adjustments to the Capital Program include:
- 15.1. Retiming of works at the end of 2023/24 resulted in 42 projects with a total budget \$9.462m continuing works in 2024/25.
 - 15.2. The receipt of four new grants \$0.595m
 - 15.3. Accrued grant interest \$0.024m
 - 15.4. No change to the Renewal budget
 - 15.5. A summary of the status of Capital Projects is provided further in this report.
16. Further detailed information on these changes is available from page 34 (Capital Works update) in **Attachment A**.

PROJECT DELIVERY SUMMARY

Strategic Projects

17. Including the adjustments outlined in this report, Council has a commitment of \$7.125m (\$6.716m net of grant funding) to deliver 30 Strategic Projects during 2024/25. Four new Strategic Projects have been identified during Quarter 1, making the total Strategic Projects for 2024/25 34. At the end of this quarter:
 - 17.1. 29 projects had both timeframe to deliver and budget on track
 - 17.2. Four projects had both timeframe to deliver and budget at risk and are being managed and may exceed estimated time and adopted budget.
 - 17.3. Two projects have been completed.
18. For information on these changes refer to the Strategic Projects summary from page 41 in **Attachment A**.

Capital Works Program

19. Including the adjustments outlined in this report, Council has a commitment of \$112.831m to deliver 302 projects as part of its Capital Works Program. At the end of this quarter:
 - 19.1. 72 new and upgrade projects had both timeframe to deliver and budget on track
 - 19.2. 19 new and upgrade projects had both timeframe to deliver and budget at risk and are being managed and may exceed estimated time and adopted budget.
 - 19.3. Eight new and upgrade projects have been completed
20. For information on these changes refer to the New and Significant Upgrades summary from page 34 and Renewals summary from page 38 in **Attachment A**.

COUNCIL SUBSIDIARIES SUMMARY

21. The Adelaide Central Market Authority, Adelaide Economic Development Agency and Kadaltilla / Adelaide Park Lands Authority have provided updates as per **Attachments B, C & D**.
22. The Brown Hill Keswick Creek Stormwater Board (Regional Subsidiary), which Council is a member of, has provided an update as per **Attachment E**.

Adelaide Central Market Authority - Year to Date Financial Summary

23. The year-to-date operating position as at 30 September 2024 is an operating surplus of \$0.070m, which is \$0.257m better when compared to the approved budget of (\$0.187m) deficit for this period.
 - 23.1. Total operating income of \$1.372m
 - 23.2. Total operating expenditure of \$1.302m.
24. There are no proposed changes to the Adelaide Central Market Authority budget in Quarter 1.

Adelaide Economic Development Agency – Year to Date Financial Summary

25. The year-to-date operating position as at 30 September 2024 is an operating surplus of \$0.028m, which is \$0.726m lower when compared to the adopted budget of \$0.754m surplus for this period.
 - 25.1. Total operating income of \$3.113m, including \$1.962m appropriation of funds from the City of Adelaide.
 - 25.2. Total operating expenditure of \$3.085m.
26. The proposed changes for Adelaide Economic Development Agency in Quarter 1 is an increase in expenditure of \$0.285m of which \$0.300m is a Strategic Project for the Commercial Events Fund in line with the Council Decision. The remaining \$0.200m will seek to be funded in a future quarterly review once a funding pathway is identified. Offsetting the increase is a minor change to Employee Costs. The \$0.285m is funded through an increase in appropriation of funds through the City of Adelaide.

Kadaltilla / Adelaide Park Lands Authority – Year to Date Financial Summary

27. The year-to-date operating position as at 30 September 2024 is an operating deficit of (\$0.084m), which is \$0.002m lower when compared to the adopted budget of (\$0.082m) for this period.
- 27.1. Total operating income of \$NIL.
- 27.2. Total operating expenditure of \$0.084m
28. There are no proposed changes to the Kadaltilla / Adelaide Park Lands Authority budget in Quarter 1.

DATA AND SUPPORTING INFORMATION

Link 1 – List of 42 projects continuing into 2024/25

ATTACHMENTS

Attachment A – 2024/25 Business Plan and Budget Quarter 1 Update

Attachment B – Adelaide Central Market Authority Quarter 1 Update

Attachment C – Adelaide Economic Development Agency Quarter 1 Update

Attachment D – Kadaltilla / Adelaide Park Lands Authority Quarter 1 Update

Attachment E – Brown Hill Keswick Creek Board Quarter 1 Update

- END OF REPORT -

2024/25 **Business Plan & Budget**

Our Adelaide. Bold. Aspirational. Innovative.



July to September 2024
Quarter 1 Update

Kurna Acknowledgement

City of Adelaide tampendi, ngadlu Kurna yertangga banbabanbalyarnedi (inbarendi). Kurna meyunna yaitya mattanya Womma Tandanyako. Parnako yailtya, panuko tappa purruna, parnuko yerta ngadlu tampendi. Yellaka Kurna meyunna itto yailtya, tappa purruna, yerta kuma burro martendi, burro warriappendi, burro tangka martulyaiendi. Kumarta yaitya miyurna iyangka yalaka ngadlu tampinhi.

City of Adelaide acknowledges the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations.

Legend

Throughout this document, these icons represent:

Status

-  that the project timeline, delivery and budget are on track (based on latest adopted schedule and budget)
-  that the project has risks that are being managed and may exceed estimated time and adopted budget
-  that the project is no longer on track or within adopted budget / delivered outside of schedule and budget

Budget

-  that there is no change from the most recent adopted budget to the proposed budget
-  that there is an increase from the most recent adopted budget to the proposed budget
-  that there is a decrease from the most recent adopted budget to the proposed budget

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CEO Message

Delivering the 2024/25 Business Plan and Budget



The 2024/25 Business Plan and Budget drives delivery on the first year of the City of Adelaide Strategic Plan 2024-2028. This report highlights our progress for Quarter 1 against the objectives of the Business Plan and Budget and the corresponding aspirations of our Strategic Plan.

At the end of Quarter 1, all eight Key Objectives of the 2024/25 Business Plan and Budget were commenced and are on track for delivery by the end of the financial year.

The 2024/25 Capital Program started the year with strong progress being made across both New and Significant Upgrades and Renewals. Eight New and Significant projects reached practical completion, including the Market to Riverbank Link Project, which was completed with the upgrade of Pitt Street. This marks the finalisation of an eight-year partnership with the Government of South Australia to create a link from the Riverbank Precinct through to the iconic Adelaide Central Market.

The Renewal Program has started the year with 19 projects achieving practical completion in the first quarter, including Park 26 Light's Vision footpath renewal, and many projects commencing, including important ICT network and security updates.

At the end of Quarter 1 the Strategic Project program was 42% committed or spent, with a focus on projects that support the delivery of the City of Adelaide Strategic Plan 2024-2028 and other endorsed strategies. The Social Work in Libraries Evaluation Framework project was scoped and will support the delivery of the Homelessness Strategy – Everyone's Business. Two Strategic Projects were finalised in Quarter 1; SA Power Networks Luminaire Upgrade and Social Planning Homelessness and Adelaide Zero Project Resourcing.

The ongoing financial planning and management over Quarter 1 has seen delivery of an operating result generally in line with the budget. The forecast operating surplus of \$9.367m will ensure that we remain in a strong position to support our priority to deliver the 2024/25 Business Plan and Budget within the parameters adopted by Council, the Long-Term Financial Plan, and associated Asset Management Plans.

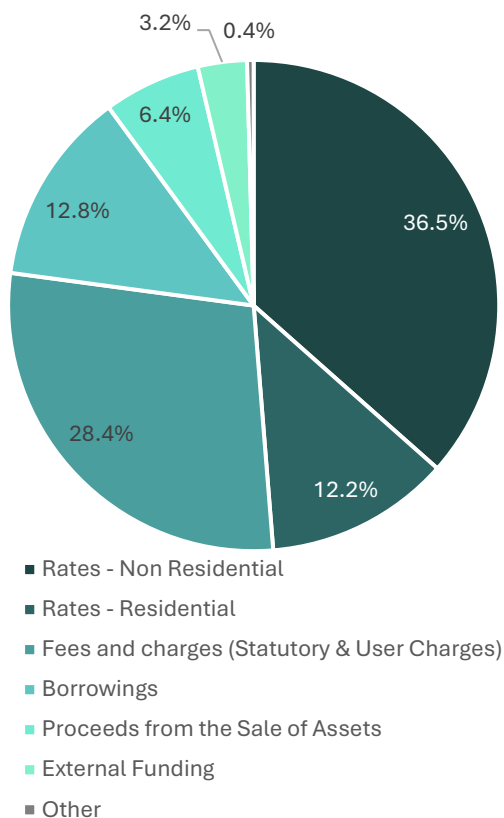
I encourage you to read through and review this progress report to recognise the Quarter 1 achievements towards the delivery of the City of Adelaide's 2024/25 Business Plan and Budget and the priorities of our Strategic Plan 2024-2028.

Michael Sedgman
Chief Executive Officer

Business Plan and Budget Funding Overview

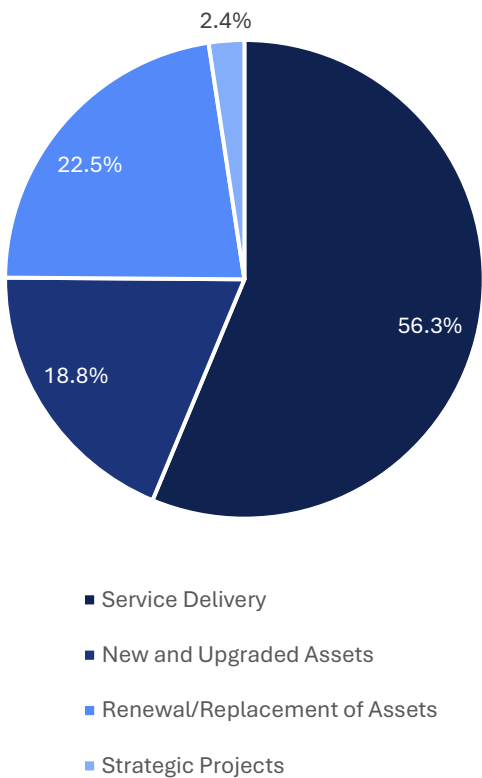
Where our funds come from

	Budget (\$m)	
Rates - Non Residential	\$ 108.681	36.5%
Rates - Residential	\$ 36.227	12.2%
Fees and charges (Statutory & User Charges)	\$ 84.460	28.4%
Borrowings	\$ 38.118	12.8%
Proceeds from the Sale of Assets	\$ 19.000	6.4%
External Funding	\$ 9.613	3.2%
Other	\$ 1.283	0.4%
TOTAL	\$ 297.382	



How our funds are spent

	Budget (\$m)	
Service Delivery	\$ 167.348	56.3%
New and Upgraded Assets	\$ 56.022	18.8%
Renewal/Replacement of Assets	\$ 66.887	22.5%
Strategic Projects	\$ 7.125	2.4%
	\$ 297.382	



Spotlight on Strategic Plan Key Projects

Our Community

Vibrant, connected and inclusive

Progress on **Our Community** Annual Priorities:

Implement the Housing Strategy, actively seek partnership opportunities with private, public and community developers to increase supply of affordable housing.

Master planning for the Flinders Street housing project which aspires to deliver 40% affordable housing is well advanced with a base case plan prepared for the purposes of cost planning. Renewal SA has concluded its community consultation for Tapangka (former Franklin St Bus Station site). Outcomes of the consultation are pending. This project seeks to deliver 35% affordable housing.

Launch of ARCHI (Adaptive Reuse City Housing Initiative – Incentive Scheme) and the new ARCHI webpage on 29 July 2024.

The City of Adelaide hosted a Federal Government consultation workshop on the draft National Urban Policy which outlines the Federal Government's goals and objectives to enable urban areas to be liveable, equitable, productive, sustainable and resilient.

The City of Adelaide's submission to the consultation on the draft National Urban Policy in July 2024, referenced Council endorsed policies and strategies including advocacy for a national definition of affordability and further reform of the National Construction Code to provide additional paths for retrofitting existing buildings for housing.

Establish a new Stretch Reconciliation Action Plan, a Disability, Access and Inclusion Plan and a Cultural Policy.

The Disability Access and Inclusion Plan 2024-2028 was endorsed by Council in May 2024. Key initiatives to support improved access to rest stops and sensory spaces in the Adelaide Park Lands, businesses, public toilets and Council meetings was approved for investigation in 2024/25.

Council approved the draft Stretch Reconciliation Action Plan 2024-2027 for consultation on 11 June 2024. The City of Adelaide is working to incorporate feedback from Reconciliation Australia before undertaking public consultation.

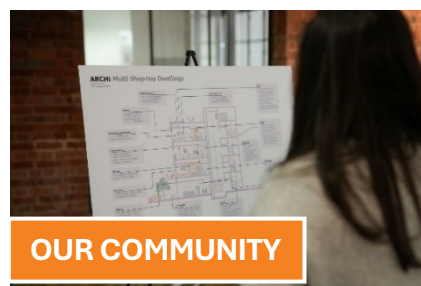
Council approved the draft City of Adelaide Cultural Policy Discussion Paper on 8 October 2024, for the purpose of public consultation to commence in late October and conclude in late November 2024.



Flinders Street Master Plan Investigations

24/25 Budget \$0.150m **Status** On Track

Master planning investigations for the City of Adelaide's 218-232 Flinders Street site are progressing. Considerations are being given towards cost planning, feasibility modelling, funding opportunities (particularly for affordable housing) and public benefit to the City of Adelaide.



Adaptive Reuse City Housing Initiative

24/25 Budget \$0.290m **Status** On Track

Launch of ARCHI (Adaptive Reuse City Housing Initiative – Incentive Scheme) on 29 July 2024, with the launch on the new ARCHI webpage occurring on the same day.

Three applications were received in Quarter 1.



City Activation

24/25 Budget \$0.502m **Status** On Track

An Olympic Welcome Home Ceremony was held in Rundle Mall on 15 September 2024 hosted by the Premier and the Lord Mayor. Super Cycle Sunday for World Car Free Day was held on 22 September 2024 in Whitmore Square with approximately 1,500 attendees. Planning and development of activities for Quarter 2 including SWING and Music in the Square is underway.



Reconciliation Action Plan 24-27 Implementation

24/25 Budget \$0.150m **Status** On Track

Adelaide hosted the 50th anniversary of NAIDOC Week with a 50th anniversary NAIDOC commemorative coin minted and released on 4 July 2024. This year the Lord Mayor's NAIDOC Award was awarded to Uncle Frank Wangutya Wanganeen during the combined Premier, Lord Mayor and SA NAIDOC Awards held on 8 July 2024 with NAIDOC in the Mall being celebrated on 9 July 2024.

Our Environment

Resilient, protected and sustainable

Progress on **Our Environment** Annual Priorities:

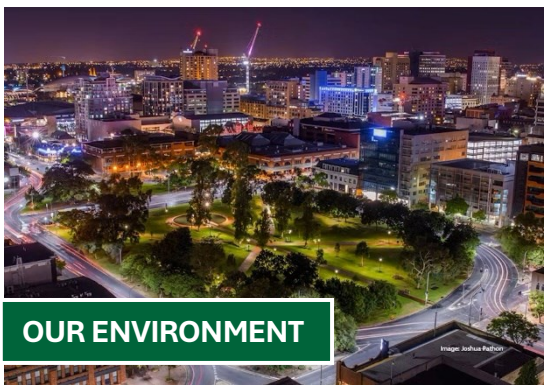
Deliver the Sustainability Incentive Scheme, supporting our partners and community to implement changes to enable a reduction in community carbon emissions.

The City of Adelaide reviewed its incentives for sustainability. In 2024/25 the range of incentives available to business and industry include appliance electrification, energy storage, solar PV, resource recovery, active transport and urban greening.

In the first quarter of 2024/25, 24 incentives were approved with an estimated emissions saving of over 563 tonnes of carbon over the lifespan of the products and services provided. The incentives included nine for active travel, eight for smart and green energy incentives, and seven resource recovery incentives.

Partner with the State Government to undertake a Master Plan for Helen Mayo Park, improving community access.

The State Government and City of Adelaide are working to finalise funding arrangements to enable master planning for Helen Mayo Park to commence.



Light Square / Wauwi – Master Plan (detailed design)

24/25 Budget \$0.250m **Status** On Track

Public consultation on two design options commenced on 4 September 2024.

The Kadaltilla Community Forum held on 24 September 2024 at Light Square / Wauwi, with onsite pop-up community engagement sessions held in September and October.



Victoria Park / Pakapakanthi (Park 16) Master Plan

24/25 Budget \$0.250m **Status** On Track

New signage has been installed in the southern half of Victoria Park / Pakapakanthi, which creates a new interpretive trail that covers environmental, Kurna and historical values of the park.

National Tree Day and Catholic Education SA community planting events in August 2024 saw over 1,500 native plants and 30 trees planted within Victoria Park / Pakapakanthi.



Public Realm Greening Program

24/25 Budget \$1.700m **Status** At Risk

Investigations are ongoing for greening opportunities within all city streets that have a tree canopy coverage of less than 5%. 30 streets were identified at the end of Quarter 1.



Feasibility Studies – Waste & Recycling Collection

24/25 Budget \$0.100m **Status** On Track

A contractor has been chosen to deliver the studies. City of Adelaide waste data and contracts are currently under review.

Our Economy

Growing, innovative and responsive

Progress on [Our Economy](#) Annual Priorities:

Deliver an investment attraction program as per the AEDA Business Plan

AEDA is currently working with 41 firms on relocation and investment opportunities with the potential additional employment of 1,618 jobs.



Central Market Arcade Redevelopment

24/25 Budget \$15.918m **Status** On Track

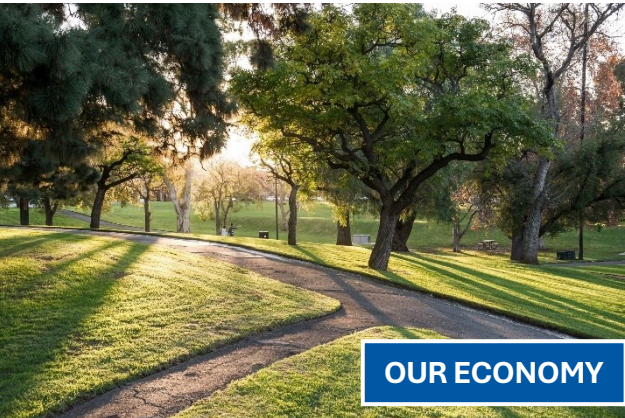
Major progress has continued on-site including the completion of basement excavation and retention works. The project has transitioned from civil works into construction phase, including the establishment of four tower cranes. These developments have facilitated the staged construction of the basement slab, precast panel and suspended slab construction up to ground level on the northern portion of the site.



88 O'Connell Project Delivery

24/25 Budget \$0.080m **Status** On Track

Following the topping out of the residential towers in July 2024, construction works have commenced on the podium fronting O'Connell Street. In September 2024, documentation was finalised to enable the amalgamation of the 27 titles forming the site to facilitate future community titling. This includes the creation of titles for common areas, apartments and commercial lots.



Economic Development Strategy Implementation

24/25 Budget \$0.106m **Status** On Track

The Economic Development Strategy was finalised and endorsed by Council on 3 September 2024. Project work relating to valuing the economic contribution of the Adelaide Park Lands is underway.



Tourism and Business Attraction

24/25 Budget \$0.133m **Status** On Track

Market research is underway to identify new tourism products and experiences that may complement the current offerings in Adelaide.

Our Places

Interesting, purposeful and safe

Progress on **Our Places** Annual Priorities:

Deliver the Adaptive Reuse City Housing Initiative (ARCHI), identifying building stock suitable for adaptive reuse.

The City of Adelaide, with State Government funding support, launched the Adaptive Reuse City Housing Initiative (ARCHI) on 29 July 2024.

ARCHI provides incentives for the retrofit of buildings in the city for housing outcomes.

The eligibility criteria for the Heritage Incentives Scheme, Sustainability Incentives Scheme and Noise Incentive Scheme have been updated for 2024/25 to include funding for adaptive reuse projects.

Commence construction of the Hindley Street Revitalisation project and progress design for Gouger Street, O’Connell Street and Hutt Street Revitalisation projects.

The Hindley Street Project is progressing to detailed design to 70% completion ahead of a pause to review the concept design. Concept design for Gouger Street has concluded and procurement for design consultant services to progress detailed design is underway. The City of Adelaide is working with the developer of 88 O’Connell Street to progress the delivery of public realm upgrades in line with the construction program for the 88 O’Connell development. Following a workshop with Council, the project team are revisiting the concept design to address comments made around on-street parking numbers for Hutt Street. This review is progressing well and a further update will be brought back to Council in the coming months.



Main Street Revitalisation – Hindley Street

24/25 Budget \$9.853m **Status** At risk

Design works are well progressed and discussions are underway with the State Government and third-party utilities regarding opportunities and coordination.

A detailed stakeholder plan is under development for the next stage of design and delivery.



Charles Street – Streetscape Upgrade

24/25 Budget \$5.925m **Status** On Track

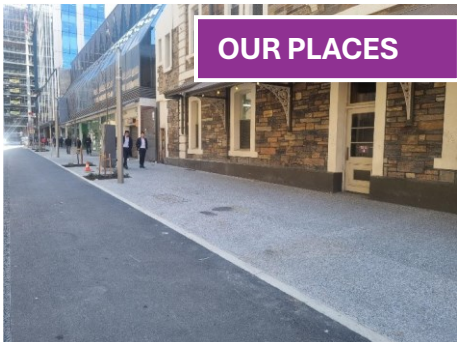
Construction works commenced on 2 September 2024 with Stage 1 (Rundle Mall – Charles Place) completing all slab pours. Stage 2 (Northern end of Charles Street) has commenced with stormwater and underground service works occurring at night to minimise disruptions.



Main Street Revitalisation – O’Connell Street

24/25 Budget \$1.000m **Status** On Track

Tender documentation is being finalised to procure a detailed design consultant. Initial discussions have been held with the 88 O’Connell development to coordinate the delivery of public realm upgrades within their construction program.



Market to Riverbank Link Project

24/25 Budget \$0.435m **Status** On Track

Pitt Street works have been completed, with street lighting installed and 11 trees planted. The upgrade included wider footpaths, space for outdoor dining, flush curbs, two-way access and removeable bollards.

This is the final stage of the Market to Riverbank Link Project a joint project with the Government of South Australia. It provides a continuous linkage between the Adelaide Central Market and the Riverbank Precinct.

Our Corporation

High performing, customer-centric and bold

Progress on Our Corporation Annual Priorities:

Deliver the 2024/25 Business Plan & Budget (BP&B) within Council adopted parameters and within the parameters of the Long Term Financial Plan, and associated Asset Management Plans.

Delivery of the 2024/25 BP&B within the adopted parameters is on track.

At the end of Quarter 1 there is a forecast operating position of \$9.367m, with Asset Renewals of \$56.022m and New and Upgraded Assets of \$66.890m



Graduate Program

24/25 Budget	\$0.841m	Status	On Track
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Planning for 2025 Graduate intake continued, with advertising of positions available for January 2025 intake commencing on 30 September 2024.



ESCOSA Review

24/25 Budget	\$0.040m	Status	On Track
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All relevant information was provided to the designated authority (ESCOSA) in accordance with the guidelines by 30 September 2024, in line with legislation.



On Street Parking Compliance Technology and Customer Analytics Reform

24/25 Budget	\$0.148m	Status	On Track
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Scope of analytics continuing to broaden, with insights and outcomes now being realised in environmental health in addition to on-street parking and community safety.



Contact Centre Software Replacement

24/25 Budget	\$0.450m	Status	On Track
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Procurement for contact centre software replacement has commenced this quarter, with tender award scheduled for Quarter 2.

Our Programs and Projects

Our Organisation

The City of Adelaide will deliver the 2024/25 Business Plan and Budget through our Organisational Structure, including our Portfolios, Offices and Subsidiaries.

City Shaping	• Director City Shaping • City Culture • Park Lands, Policy and Sustainability • Regulatory Services
City Services	• Director City Services • City Operations • Infrastructure • Strategic Property and Commercial
Corporate Services	• Chief Operating Officer • Customer and Marketing • Finance and Procurement • Governance • Information Management • People • Strategy, Insights and Performance
Subsidiaries	• Adelaide Central Market Authority (ACMA) • Adelaide Economic Development Agency (AEDA) • Kadaltilla / Adelaide Park Lands Authority (Kadaltilla)
Offices	• Office of the Chief Executive Officer • Office of the Lord Mayor

Operational Summary

	Adopted Budget		Proposed Q1		
	\$'000	Income	Expenditure	Income	Expenditure
City Shaping					
Director City Shaping			(697)		(697)
City Culture	6,108		(19,202)	6,242	(19,578)
Park Lands, Policy and Sustainability	44		(7,724)	81	(7,451)
Regulatory Services	16,712		(10,377)	16,712	(10,377)
Strategic Projects	389		(2,158)	408	(2,328)
City Services					
Director City Services			(699)		(699)
City Operations	2,720		(44,246)	2,720	(44,154)
Infrastructure			(47,368)	0	(47,568)
Strategic Property and Commercial	56,362		(33,224)	56,555	(32,995)
Strategic Projects			(3,313)	0	(3,469)
Corporate Services (including Subsidiaries)					
Chief Operating Officer			(1,014)	0	(1,014)
Customer and Marketing	2		(6,712)	2	(6,712)
Finance and Procurement	138		(4,600)	138	(4,600)
Governance			(4,301)	0	(4,301)
Information Management	31		(13,994)	31	(13,994)
People			(4,658)	0	(4,658)
Strategy, Insights and Performance			(1,617)	0	(1,617)
Corporate Activities*	142,631		3,156	142,731	3,266
Adelaide Central Market Authority	5,343		(6,081)	5,343	(6,081)
Adelaide Economic Development Agency	4,417		(12,576)	4,417	(12,561)
Kadaltilla / Adelaide Park Lands Authority	328		(328)	328	(328)
Strategic Projects			(1,028)	0	(1,328)
Offices					
Office of the CEO			(1,457)	0	(1,457)
Office of the Lord Mayor			(1,640)	0	(1,640)
Total	235,225		(225,858)	235,708	(226,341)
Operating Surplus/(Deficit)			9,367		9,367

* Includes Rates Revenue, Corporation grants (e.g. Financial Assistance Grants), vacancy management target, and capital overhead.

City Shaping Portfolio

The City Shaping Portfolio leverages and celebrates our role as a Capital City Council and delivers the services that lead, shape and enable a creative, dynamic, resilient and diverse city both now and into the future.

Programs:

- City Culture
- Park Lands, Policy and Sustainability
- Regulatory Services

Key Focus areas:

- City activation, initiatives, grants and sponsorship
- Adelaide Park Lands greening, management and improvements
- Developing the City Plan
- Partnerships that support creative and resilient communities
- Kaurua heritage and voice and cultural mapping of the Adelaide Park Lands
- Heritage promotion and protection

Planning & Budget Updates

The State Government has committed to making a \$0.250m contribution to the City of Adelaide's successful Heritage Incentives Scheme which increases funding for conservation of State Heritage Places. This income budget and corresponding expenditure will be reflected at upcoming Quarterly forecasts to align with anticipated planned spend. A further \$0.075m grant is supporting the City of Adelaide to review Historic Area Statements and consider new Historic Areas.

Reductions in the 2024/25 budget for grant funding through Community Impact Grants and Arts and Cultural Grants has led to an assessment of timing for the release of grant funding.

In July 2024, Council approved the reinstatement of Multi-Year Event Licences for Major Events in the Park Lands. The reinstatement of these licences for the first time since 2019, will contribute to the 2024/25 budgeted income of \$0.633m, from Park Lands events.

Annual partnership with Australia Day Council of South Australia Inc for the delivery of Australia Day in the City, is in 2024/25 funded through the City Activation budget (previously funded through City Lifestyle). This reduces the Strategic Project budget line for City Activation from \$0.502m to \$0.320m for delivery of 2024/25 projects aligned with the Strategic Plan aspiration, 'Our Community; with the objective to create fun, lively and interesting experiences'.

Adjustments to planning for the delivery of City Activation has occurred, and there may be further impacts if unplanned activities arise throughout the remainder of the financial year that require a City response or support.

Operating Budget Changes

Allocation of part of the Botanic Water Course grant funding to Kaurua operating budget \$0.024m
Increase in Park Lands Property Rental income due to higher than budgeted rental incomes \$0.035m
Recognition of additional grant funding for food waste – Kerbside performance grant \$0.003m
Grant funding for organic residential trials \$0.034m along with allocation of associated spend \$0.028m

Strategic Project Budget Changes

Funding for continuation of Historic Area Statement project \$0.113m
Grant funding income for community planting activities in Parks 14, 15 & 16 \$0.034m with allocation of expenditure budget \$0.072m

Portfolio Quarterly Highlights

City Culture

A number of new programs and activities were developed and delivered at the Minor Works Building Community Centre and across the South West in Quarter 1 2024/2025 as part of the DHS Community Neighbourhood Development Funding. Two social work placement students from Flinders University were recruited and onboarded in July 2024. The qualitative component of the Community Needs Analysis (a requirement of the DHS Community Neighbourhood Development Funding) was launched in the South West in September 2024.

Park Lands Policy & Sustainability

The City Plan – Adelaide 2036, Economic Development Strategy, and Victoria Park Master Plan were all endorsed by Council in Quarter 1, with the City Plan being awarded an Australian Good Design Gold Accolade for Policy in September 2024.

The Lord Mayor's annual Homelessness Roundtable was held on 19 August 2024. The Roundtable showcased partnerships in action including the City of Adelaide's work to develop a social worker in library program which is a priority of the Council's Homelessness Strategy - Everyone's Business.

The City of Adelaide developed an Integrated Climate Strategy Risk and Reporting Framework for reporting on the Integrated Climate Strategy 2030, which aligns with better practice sustainability reporting practices, including the Australian Sustainability Reporting Standards.

Regulatory Services

Revised By-Laws were endorsed by Council on 27 August 2024, following public consultation. They are now under review by the Legislative Review Committee for approval ahead of the By-Laws taking effect on 1 January 2025.

Review of outdoor dining in Leigh Street and Peel Street was completed with outcomes communicated to stakeholders.

City Shaping Portfolio Budget

	\$'000	FTE	Adopted Budget			FTE	Proposed Q1			
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)	
Operating Budget										
Revenue			23,253		23,253		23,443		23,443	
Employee Costs	193.4			(24,928)	(24,928)	193.4		(25,062)	(25,062)	
Materials				(9,625)	(9,625)			(9,805)	(9,805)	
Sponsorships				(2,723)	(2,723)			(2,682)	(2,682)	
Depreciation				(2,587)	(2,587)			(2,587)	(2,587)	
Finance Costs				(295)	(295)			(295)	(295)	
TOTAL	193.4		23,253	(40,158)	(16,905)	193.4	23,443	(40,431)	(16,988)	
Program Budget										
Office of the Director	3.0			(697)	(697)	3.0		(697)	(697)	
City Culture	68.0		6,108	(19,202)	(13,094)	68.0	6,242	(19,578)	(13,336)	
Park Lands, Policy & Sustainability	36.6		44	(7,724)	(7,680)	36.6	81	(7,451)	(7,370)	
Regulatory Services	82.0		16,712	(10,377)	6,335	82.0	16,712	(10,377)	6,335	
Strategic Projects	3.8		389	(2,158)	(1,769)	3.8	408	(2,328)	(1,920)	
TOTAL	193.4		23,253	(40,158)	(16,905)	193.4	23,443	(40,431)	(16,988)	
							Adopted Budget		Proposed Q1	
							Inc.	Exp.	Inc.	Exp.
							\$'000			
Capital Projects										
New and Upgrade						190	(3,162)	237	(7,715)	
Renewal										
TOTAL						190	(3,162)	237	(7,715)	

City Culture

	\$'000	FTE	Adopted Budget			FTE	Proposed Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue			6,108		6,108		6,242		6,242
Employee Costs	68.0			(8,742)	(8,742)	68.0		(9,115)	(9,115)
Materials				(7,070)	(7,070)			(7,073)	(7,073)
Sponsorships				(508)	(508)			(508)	(508)
Depreciation				(2,587)	(2,587)			(2,587)	(2,587)
Finance Costs				(295)	(295)			(295)	(295)
TOTAL	68.0		6,108	(19,202)	(13,094)	68	6,242	(19,578)	(13,336)
Activity View									
Associate Director (office)	2.0			(377)	(377)	2.0		(377)	(377)
Adelaide Town Hall	5.0		3,130	(3,265)	(135)	5.0	3,130	(3,265)	(135)
Aquatic Centre			130	(373)	(243)		130	(373)	(243)
City Experience	15.1		717	(4,020)	(3,303)	15.1	792	(4,095)	(3,303)
City Lifestyle	10.8		1,556	(3,692)	(2,136)	10.8	1,615	(3,692)	(2,077)
Creative Cities	11.6		33	(2,425)	(2,392)	11.6	33	(2,425)	(2,392)
Libraries	23.5		542	(5,050)	(4,508)	23.5	542	(5,351)	(4,809)
TOTAL	68.00		6,108	(19,202)	(13,094)	68.0	6,242	(19,578)	(13,336)

		Adopted Budget		Proposed Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Aboriginal Protocol Grant			(41)		(41)
Adelaide's New Year's Eve	63		(568)	63	(568)
Annual Delivery of Kaurna Initiatives			(26)	24	(26)
ANZAC Day Service - March & Related Activities			(61)		(61)
Arts and Cultural Grants			(262)		(262)
Christmas Fesitval Action Plan			(529)		(529)
City Activation - West End Precinct			(52)		(52)
City Activation - East End Unleashed			(145)	40	(294)
City Activation - Gouger Street Precinct			(52)		(52)
City Activation - Hutt Street Precinct			(79)		(79)
City Activation - North Adelaide Precinct			(106)		(106)
City Activation - Precinct Support			(118)		(118)
Community Capacity Development			(3)		(3)
Community Impact Grants			(372)		(372)
Live Music Industry and Venues Support			(58)	35	(93)
UNESCO Adelaide City of Music Ltd Partnership			(54)		(54)
Winter Weekends			(207)		(207)
Social and Affordable Housing					(301)
TOTAL	63		(2,733)	162	(3,218)

	\$'000	Adopted Budget		Proposed Q1	
		Inc.	Exp.	Inc.	Exp.
Strategic Projects					
City Activation			(502)		(502)
DHS Community Neighbourhood Development Funding		99	(99)	99	(99)
Botanic Creek Rehabilitation					
Social Work in Libraries				25	(25)
TOTAL		99	(601)	124	(626)

City Culture continued.

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		190	(862)	200	(1,303)
Renewal					
TOTAL		190	(862)	200	(1,303)

Park Lands, Policy & Sustainability

	\$'000	FTE	Adopted Budget				Proposed Q1			
			Inc.	Exp.	Total(N)		FTE	Inc.	Exp.	Total(N)
Operating Budget										
Revenue			44		44			81		81
Employee Costs	36.6			(5,373)	(5,373)	36.6			(5,112)	(5,112)
Materials				(846)	(846)				(879)	(879)
Sponsorships				(1,505)	(1,505)				(1,460)	(1,460)
Depreciation					0					0
Finance Costs					0					0
TOTAL	36.6		44	(7,724)	(7,680)	36.6	81	(7,451)		(7,370)
Activity View										
Associate Director (office)	3.0			(485)	(485)	3.0			(485)	(485)
City Planning and Heritage	19.2		44	(4,420)	(4,376)	19.2	44	(4,119)		(4,075)
Low Carbon & Circular Economy	7.0			(1,583)	(1,583)	7.0	37	(1,611)		(1,574)
Park Lands & Sustainability	7.4			(1,236)	(1,236)	7.4			(1,236)	(1,236)
TOTAL	36.6		44	(7,724)	(7,680)	36.6	81	(7,451)		(7,370)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Carbon Neutral Adelaide (CCAIF)			(240)		(240)
City of Adelaide Prize			(30)		(30)
Climate Change Action Initiatives (CCAIF)			(444)		(444)
Economic Policy			(42)		(42)
Heritage Incentive Scheme			(1,162)		(1,162)
Heritage Promotion Program			(182)		(182)
History Festival			(32)		(32)
Homelessness - Social and Affordable Housing			(458)		(160)
Homeless and Vulnerable People Project	44		(44)	44	(44)
NAIDOC Week Celebrations			(54)		(54)
Noise Management Program Incentive Scheme			(46)		(46)
Safer City Program			(247)		(247)
TOTAL		44	(2,981)	44	(2,683)

Park Lands, Policy & Sustainability continued.

	Adopted Budget		Proposed Q1	
	\$'000	Inc. Exp.	Inc. Exp.	
Strategic Projects				
Adaptive Reuse City Housing Initiative	290	(290)	290	(290)
Delivering the Planning and Design Code Amendment Program 23-26 (Year 2)		(240)		(240)
Disability Access and Inclusion Plan 2024-2028 Implementation		(215)		(215)
Economic Development Strategy Implementation		(106)		(106)
Homelessness Strategy Implementation		(50)		(50)
Local Heritage Assessments - 20th Century Buildings		(50)		(50)
National Heritage Management Plan Implementation		(100)		(100)
Reconciliation Action Plan 2024-2027 Implementation		(150)		(150)
Social Planning Homelessness and Adelaide Zero Project resourcing		(208)		(208)
Historic Area Statement - Code Amendment				(112)
Botanic Creek Rehabilitation			34	(72)
TOTAL	290	(1,409)	324	(1,593)

	Adopted Budget		Proposed Q1	
	\$'000	Inc. Exp.	Inc. Exp.	
Capital Projects				
New and Upgrade		(2,300)	37	(6,412)
TOTAL	0	(2,300)	37	(6,412)

Regulatory Services

	\$'000	FTE	Adopted Budget			FTE	Proposed Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue			16,712		16712		16,712		16,712
Employee Costs	82.0			(9,651)	(9,651)	82.0		(9,651)	(9,651)
Materials				(726)	(0,726)			(726)	(726)
Sponsorships									0
Depreciation									0
Finance Costs									0
TOTAL	82.0		16,712	(10,377)	6,335	82.0	16,712	(10,377)	6,335
Activity View									
Associate Director (office)	5.0			(868)	(868)	5.0		(868)	(868)
City Development	21.9		3,630	(2,791)	839	21.9	3,630	(2,791)	839
City Safety	19.1		522	(1,854)	(1,332)	19.1	522	(1,854)	(1,332)
On-Street Parking Compliance	36.0		12,560	(4,864)	7,696	36.0	12,560	(4,864)	7,696
TOTAL	82.0		16,712	(10,377)	6,335	82.0	16,712	(10,377)	6,335

	Adopted Budget		Proposed Q1	
	\$'000	Inc. Exp.	Inc. Exp.	
Strategic Projects				
On-Street Parking Compliance Technology and Customer Analytics Reform		(148)		(148)
TOTAL	0	(148)	0	(148)

City Services Portfolio

The City Services Portfolio delivers essential local government services for our community, making it easier to conduct business in our city and providing a safe and attractive urban environment. Programs:

- City Operations
- Infrastructure
- Strategic Property and Commercial

Key Focus areas:

- Capital Works Program, including New and Significant Upgrades and Renewals
- Main street revitalisation and improvements
- Maintenance of public realm and city presentation

Planning & Budget Updates

To support the agreed service level of the tree inspection program, recruitment of a Technical Officer has commenced with an impact to the operating budget (\$0.108m). The additional Technical Officer will increase the rate at which programmed and reactive inspections are undertaken which will support the required maintenance of trees within the public realm.

Strategic Projects for Transport and Heritage which started during the 23-24 financial year will complete during 24-25 (\$0.157m).

Strategic Property & Commercial net increase to income \$0.193m which reflects the recognition of a lease extension \$0.166m, income for gaming entitlements \$0.100m and a one-off increase to Off Street Parking \$0.130m offset by Commercial property vacancies not anticipated during the budget process (\$0.202m). There is also a saving in the cost base for Off Street Parking of \$0.229m due to the new banking contract offset by an increase in software maintenance and salary costs.

Portfolio Quarterly Highlights

City Operations

The review of the 2012 Cleansing Service Standard is progressing with an update on the findings, opportunities and recommendations to be presented to a future Infrastructure and Public Works Committee meeting.

The Waste Services feasibility study is on track, with the procurement process completed.

To deliver on the Accelerated Greening Program, 750 new trees planted in the Park Lands between April and September 2024. These trees are located within Nantu Wama – Lefevre Park (Park 6), Tidlangga – Bundeys Paddock (Park 9), Karrawirra - Pennington Gardens East (Park 12), Karrawirra – Grundy Gardens (Park 12), Karrawirra – Town Clear’s Walk (Park 12), Tantutitingga – Brougham Gardens West (Park 29), Tampawardli – Ellis Park (Park 24), Pityarilla - Peltzer Park (Park 19) and Wikaparntu Wirra – Josie Agius Park (Park 22).

Infrastructure

The infrastructure program has had a strong start to the 2024/25 financial year, with the successful delivery of a number of capital projects, including Field Street Streetscape Upgrade project and the Hutt Street Entry Statement project, delivered in collaboration with State Government.

Design works are well progressed for Hindley Street and Gouger Street Main Street projects.

Planning and design for City Street Greening is progressing, with preliminary assessments undertaken on 117 streets. So far 14 street trees have been planted in the first quarter of the financial year.

Integrated Transport Strategy is well progressed, with stage one stakeholder consultation scheduled to commence in late October 2024.

Strategic Property and Commercial

Market Square has enjoyed major progress on-site including completion of the basement excavation and retention works. This has involved the removal of 83,000 tonnes of soil material from site. The project has transitioned from a civil works phase into a construction phase. Four tower cranes have been installed and the

installation of site amenities completed with some 125 workers on-site per day. These developments have facilitated the staged construction of basement and floor slabs to ground level in the northern portion of the site. Master planning for the Flinders Street housing project which aspires to deliver 40% affordable housing, is well advanced with a base case plan prepared for the purposes of cost planning. Renewal SA has concluded its community consultation for Tapangka (former Franklin St Bus Station site). Outcomes of the consultation are pending. This project seeks to deliver 35% affordable housing.

City Services Portfolio Budget

	Adopted Budget				Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue			59,082		59,082		59,275		59,275
Employee Costs	345.1			(36,642)	(36,642)	346.1		(36,900)	(36,900)
Materials				(38,333)	(38,333)			(38,111)	(38,111)
Sponsorships				(162)	(162)			(162)	(162)
Depreciation				(53,207)	(53,207)			(53,206)	(53,206)
Finance Costs				(506)	(506)			(506)	(506)
TOTAL	345.1		59,082	(128,850)	(69,768)	346.1	59,275	(128,885)	(69,610)
Program Budget									
Office of the Director	3.0			(699)	(699)	3.0		(699)	(699)
City Operations	227.9	2,720		(44,246)	(41,526)	227.9	2,720	(44,154)	(41,434)
Infrastructure	69.3			(47,368)	(47,368)	69.3		(47,568)	(47,568)
Strategic Property and Commercial	43.9	56,362		(33,224)	23,138	44.9	56,555	(32,995)	23,560
Strategic Projects	1.0			(3,313)	(3,313)	1.0		(3,469)	(3,469)
TOTAL	345.1	59,082	(128,850)	(69,768)	(69,768)	346.1	59,275	(128,885)	(69,610)
	\$'000	Adopted Budget		Proposed Q1					
		Inc.	Exp.	Inc.	Exp.				
Capital Projects									
New and Upgrade		2,882	(42,929)	4,848	(48,382)				
Renewal			(48,766)		(48,227)				
TOTAL		2,882	(91,695)	4,848	(96,609)				

City Operations

		Adopted Budget				Proposed Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue			2,720		2720		2,720		2,720
Employee Costs	227.9			(24,715)	(24,715)	227.9		(24,780)	(24,780)
Materials				(17,568)	(17,568)			(17,587)	(17,587)
Sponsorships									0
Depreciation				(1,963)	(1,963)			(1,787)	(1,787)
Finance Costs									0
TOTAL	227.9		2720	(44,246)	(41,526)	227.9	2,720	(44,154)	(41,434)
Activity View									
Associate Director (office)	17.8	12		(3,070)	(3,058)	17.8	12	(3,070)	(3,058)
Manager City Maintenance	1.0			(200)	(200)	1.0		(200)	(200)
Manager City Presentation	1.0			(190)	(190)	1.0		(190)	(190)
Cleansing	48.5	7		(7,303)	(7,296)	48.5	7	(7,303)	(7,296)
Facilities	5.0			(3,169)	(3,169)	5.0		(3,169)	(3,169)
Horticulture	84.7	2,428		(14,948)	(12,520)	85.7	2,428	(15,056)	(12,628)
Infrastructure Maintenance	33.0			(6,104)	(6,104)	33.0		(5,904)	(5,904)
Trades	25.0	253		(5,740)	(5,487)	25.0	253	(5,740)	(5,487)
Waste	1.5	20		(3,075)	(3,055)	1.5	20	(3,075)	(3,055)
Workshops	10.4			(447)	(447)	9.4		(447)	(447)
TOTAL	227.9	2720		(44,246)	(41,526)	227.9	2,720	(44,154)	(41,434)
				</					

Infrastructure

	\$'000	FTE	Adopted Budget				Proposed Q1		
			Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue					0				0
Employee Costs		69.3		(3,926)	(3,926)	69.3		(3,926)	(3,926)
Materials				(5,131)	(5,131)			(5,331)	(5,331)
Sponsorships				(162)	(162)			(162)	(162)
Depreciation				(38,149)	(38,149)			(38,149)	(38,149)
Finance Costs									0
TOTAL		69.3	0	(47,368)	(47,368)	69	0	(47,568)	(47,568)
Activity View									
Associate Director (office)		1.9		(674)	(674)	1.9		(673)	(673)
Infrastructure Planning and Delivery		45.6		(46,030)	(46,030)	45.6		(46,231)	(46,231)
Technical Services		21.8		(664)	(664)	21.8		(664)	(664)
TOTAL		69.3	0	(47,368)	(47,368)	69.3	0	(47,568)	(47,568)

	\$'000	Adopted Budget		Proposed Q1	
		Inc.	Exp.	Inc.	Exp.
Operating Activities					
Free City Connector			(1,301)		(1,301)
TOTAL	0		(1,301)	0	(1,301)

	\$'000	Adopted Budget		Proposed Q1	
		Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Adelaide Park Lands Strategic Water Resources Study			(50)		(80)
Asset Condition Audit			(595)		(565)
Bridge Maintenance Program			(400)		(400)
Conservation Management Plans - Bridges			(60)		
Resilient Flood Mapping			(1,723)		(1,723)
SA Power Networks (SAPN) Luminaire Upgrades			(15)		(14)
Transport Strategy			(200)		(276)
City Speed Limit Review					(27)
School Safety Review					(12)
Heritage Strategy 2021 - 2036					(41)
TOTAL	0		(2,983)	0	(3,138)

	\$'000	Adopted Budget		Proposed Q1	
		Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		2,882	(25,118)	4,848	(30,040)
Renewal			(47,076)		(46,525)
TOTAL	2,882		(72,194)	4,848	(76,565)

Strategic Property and Commercial

	\$'000	FTE	Adopted Budget			FTE	Proposed Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue			56,362		56,362		56,555		56,555
Employee Costs		43.9		(7,179)	(7,179)	44.9		(7,372)	(7,372)
Materials				(12,444)	(12,444)			(11,847)	(11,847)
Sponsorships					0				0
Depreciation				(13,095)	(13,095)			(13,270)	(13,270)
Finance Costs				(506)	(506)			(506)	(506)
TOTAL		43.9	56,362	(33,224)	23,138	44.9	56,555	(32,995)	23,560
Activity View									
Associate Director (office)		1.8		(431)	(431)	1.8		(431)	(431)
Commercial		4.0	307	(850)	(543)	4.0	307	(850)	(543)
Parking		17.8	44,490	(14,433)	30,057	17.8	44,620	(14,635)	29,985
North Adelaide Golf Course		12.1	4,950	(5,100)	(150)	13.1	4,950	(5,100)	(150)
Strategic Property Development		4.0		(821)	(821)	4.0		(821)	(821)
Strategic Property Management		4.2	6,615	(11,589)	(4,974)	4.2	6,678	(11,158)	(4,480)
TOTAL		43.9	56,362	(33,224)	23,138	44.9	56,555	(32,995)	23,560
						Adopted Budget		Proposed Q1	
						\$'000	Inc.	Exp.	Inc. Exp.
Strategic Projects									
218 - 232 Flinders Street Master Plan Investigations							(150)		(150)
88 O'Connell Project Delivery							(80)		(80)
TOTAL						0	(230)	0	(230)
						Adopted Budget		Q1	
						\$'000	Inc.	Exp.	Inc. Exp.
Capital Projects									
New and Upgrade							(17,703)		(18,234)
Renewal							(198)		
TOTAL						0	(17,901)		(18,234)

Corporate Services Portfolio (including subsidiaries)

The Corporate Services Portfolio provides effective and efficient services and insights to strengthen and grow our organisational capability, and support a culture of accountability, transparency and innovation.

Key Focus areas:

- Revised Strategic Management Framework and new Strategic Plan
- New and different ways to engage our community
- City of Adelaide Graduate program
- Update Long Term Financial Plan
- Development of Program Plans

Programs:

- Customer and Marketing
- Finance and Procurement
- Governance
- Information Management
- People
- Strategy, Insights and Performance

Subsidiaries:

- Adelaide Central Market Authority
- Adelaide Economic Development Agency
- Kadaltilla/Adelaide Park Lands Authority

Planning & Budget Updates

Planning Changes

To deliver the Commercial Events Fund, AEDA has received a Quarter 1 increase of \$0.300m to the budget. Council has approved an allocation of \$0.500m to deliver the Commercial Events Fund subject to capacity within the budget to be identified through the quarterly budget review process, the remaining \$0.200m will be prioritised in a future quarter once a funding pathway is identified.

Budget Changes

Additional grant funding received for corporate grant programs including Financial Assistance Grants \$0.100m. Other minor changes include \$0.123m for employee costs associated with employee role reviews and an increase to vacancy management.

Portfolio Quarterly Highlights

Customer & Marketing

A whole-of-Council marketing and messaging approach under the City of Adelaide 2024-2028 Strategic Plan was finalised in Quarter 1.

Progress has been made for the replacement of the Customer Centre telephony system.

Finance & Procurement

Quarter 1 saw the completion of the 2023/24 Audited Financial Statements.

The Draft 2024/25-2033/34 Long Term Financial Plan was endorsed and commenced public consultation.

There were 38 active procurements to the value of \$33.759 million.

Governance

The revised Code of Practice for Meeting Procedure and Terms of Reference for Council's Core Committees was adopted.

Information Management

A new data analytics team has been onboarded and work has commenced on the implementation of a revised data analytics platform.

People

The 2024 Culture Survey closed on 30 August 2024 with 70% participation.

A pilot of a new Workforce Planning Framework commenced with three programs.

Strategy, Insights & Performance

The City of Adelaide's new community engagement website, Our Adelaide, went live on 1 July 2024 with a refreshed look and platform. This branding aligns with the City of Adelaide 2024-2028 Strategic Plan and demonstrates our authenticity in listening and elevating the voices of our community by taking on a bold new approach. 13 engagements were conducted in Quarter 1 2024/25; the five most active engagements were Christmas in the City, Light Square/Wauwi Masterplan, City Plan - Trees on Streets, and Gouger Street revitalisation saw the highest level of participation during the quarter.

Progress was made on the 2023/24 Annual Report, which will be delivered in Quarter 2.

The Quarter 4 report against the 2023/24 Business Plan and Budget was presented to Council.

Council reviewed multiple avenues for grant revenue and after investigations, eight opportunities across four Government schemes were formally submitted.

Adelaide Central Market Authority

In Quarter 1 there was focus on sustainability, promoting various initiatives ACMA delivers such as our partnership with Oz Harvest and the recycling of the Market's organic waste to produce compost for the farming industry. 99% of organic waste from the Adelaide Central Market is diverted from landfill.

The Leasing Campaign for the Market Expansion commenced with a strong number of Expressions of Interest received.

AEDA

Three events were supported through the Events and Festivals Sponsorship Program with a combined anticipated attendance of 1.7 million and estimated gross economic impact of \$67.7 million.

Four events were supported through the Commercial Events Sponsorship Program with a combined anticipated attendance of 12,770 and estimated gross attendee expenditure of \$2.5 million.

Kadaltilla

Two annual Community Forums were held with over 200 attendees.

Kadaltilla's 2023/24 Annual Report and Kadaltilla's Strategic Plan Annual Review of Progress 2023/24 were endorsed.

Corporate Services Portfolio Budget

	Adopted Budget					Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)	
Operating Budget										
Revenue			152,890		152,890		152,990		152,990	
Employee Costs	212.0			(22,842)	(22,842)	212.0		(22,719)	(22,719)	
Materials				(26,577)	(26,577)			(26,574)	(26,574)	
Sponsorships				(3,264)	(3,264)			(3,564)	(3,564)	
Depreciation				(1,063)	(1,063)			(1,064)	(1,064)	
Finance Costs				(7)	(7)			(7)	(7)	
TOTAL	212.0		152,890	(53,753)	99,137	212.0	152,990	(53,928)	99,062	
Program Budget										
Office of the COO	5.0			(1,014)	(1,014)	5.0		(1,014)	(1,014)	
Customer and Marketing	40.0	2		(6,712)	(6,710)	40.0	2	(6,712)	(6,710)	
Finance and Procurement	30.8	138		(4,600)	(4,462)	30.8	138	(4,600)	(4,462)	
Governance	11.3			(4,301)	(4,301)	11.3		(4,301)	(4,301)	
Information Management	35.0	31		(13,994)	(13,963)	35.0	31	(13,994)	(13,963)	
People^	28.8			(4,658)	(4,658)	28.8		(4,658)	(4,658)	
Strategy, Insights and Performance	13.0			(1,617)	(1,617)	13.0		(1,617)	(1,617)	
Corporate Activities	3.0	142,631	3,156	145,787		3.0	142,731	3,266	145,997	
ACMA	10.7	5,343	(6,081)	(738)		10.7	5,343	(6,081)	(738)	
AEDA	33.1	4,417	(12,576)	(8,159)		33.1	4,417	(12,561)	(8,144)	
Kadaltilla	1.3	328	(328)	0		1.3	328	(328)	0	
Strategic Projects				(1,028)	(1,028)			(1,328)	(1,328)	
TOTAL	212.0	152,890	(53,753)	99,137		212.0	152,990	(53,928)	99,062	

^ Includes 10.0 FTE Graduates allocated in business units across the Administration.

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		3,954	(3,954)	3,954	(4,029)
Renewal			(1,591)		(2,129)
TOTAL		3,954	(5,545)	3,954	(6,158)

Customer and Marketing

	Adopted Budget				Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue			2		2		2		2
Employee Costs	40.0			(4,832)	(4,832)	41.0		(4,832)	(4,832)
Materials				(1,880)	(1,880)			(1,880)	(1,880)
Sponsorships									0
Depreciation									0
Finance Costs									0
TOTAL	40.0		2	(6,712)	(6,710)	41	2	(6,712)	(6,710)
Activity View									
Manager	1.0			(213)	(213)	1.0		(213)	(213)
Customer Experience	28.0		2	(4,280)	(4,278)	28.0	2	(4,280)	(4,278)
Marketing & Communications	11.0			(2,219)	(2,219)	11.0		(2,219)	(2,219)
TOTAL	40.0		2	(6,712)	(6,710)	40.0	2	(6,712)	(6,710)

Finance and Procurement

	\$'000	FTE	Adopted Budget			FTE	Proposed Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue			138		138		138		138
Employee Costs		30.8		(4,223)	(4,223)	30.8		(4,223)	(4,223)
Materials				(377)	(377)			(377)	(377)
Sponsorships									0
Depreciation									0
Finance Costs									0
TOTAL		30.8	138	(4,600)	(4,462)	30.8	138	(4,600)	(4,462)
Activity View									
Manager		1.0		(286)	(286)	1.0		(286)	(286)
Financial Planning & Reporting		13.0		(1,984)	(1,984)	13.0		(1,984)	(1,984)
Procurement & Contract Management		7.8		(1,063)	(1,063)	7.8		(1,063)	(1,063)
Rates & Receivables		9.0	138	(1,267)	(1,129)	9.0	138	(1,267)	(1,129)
TOTAL		30.8	138	(4,600)	(4,462)	30.8	138	(4,600)	(4,462)

Governance

	Adopted Budget				Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue									0
Employee Costs		11.3		(1,624)	(1,624)	11.3		(1,624)	(1,624)
Materials				(2,677)	(2,677)			(2,677)	(2,677)
Sponsorships									0
Depreciation									0
Finance Costs									0
TOTAL		11.3	0	(4,301)	(4,301)	11.3	0	(4,301)	(4,301)
Activity View									
Manager		1.0		(215)	(215)	1.0		(215)	(215)
Corporate Governance		5.2		(2,976)	(2,976)	5.2		(2,976)	(2,976)
Council Governance		5.1		(1,110)	(1,110)	5.1		(1,110)	(1,110)
Legal Governance									0
TOTAL		11.3	0	(4,301)	(4,301)	11.3	0	(4,301)	(4,301)

	Adopted Budget			Proposed Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
ESCOSA Review			(40)		(40)
TOTAL			(40)		(40)

Information Management

	Adopted Budget				Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue			31		31		31		31
Employee Costs	35.0			(4,657)	(4,657)	35.0		(4,657)	(4,657)
Materials				(8,398)	(8,398)			(8,398)	(8,398)
Sponsorships					0				0
Depreciation				(939)	(939)			(939)	(939)
Finance Costs					0				0
TOTAL	35.0		31	(13,994)	(13,963)	35	31	(13,994)	(13,963)
Activity View									
Manager	10.0		8	(1420)	(1412)	10.0	8	(1,420)	(1,412)
Project Delivery	11.0			(2603)	(2603)	11.0		(2,603)	(2,603)
Service Desk	8.0			(1,168)	(1,168)	8.0	23	(8,803)	(8,780)
Technology, Infrastructure and Platforms	6.0		23	(8,803)	(8780)	6.0		(1,168)	(1,168)
TOTAL	35.0		31	(13,994)	(13,963)	35.0	31	(13,994)	(13,963)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Business Systems Roadmap			(1,600)		(1,600)
TOTAL	0		(1,600)	0	(1,600)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Contact Centre Software Replacement			(450)		(450)
Cyber Security Enhancement			(85)		(85)
TOTAL	0		(535)	0	(535)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade					(25)
Renewal			(3,600)		(2,129)
TOTAL	0		(3,600)	0	(2,154)

People

	Adopted Budget				Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue					0,000				0
Employee Costs		28.8		(3,491)	(3,491)	28.8		(3,491)	(3,491)
Materials				(1,167)	(1,167)			(1,167)	(1,167)
Sponsorships									0
Depreciation									0
Finance Costs									0
TOTAL		28.8	0	(4,658)	(4,658)	28.8	0	(4,658)	(4,658)
Activity View									
Manager		3.0		(470)	(470)	3.0		(574)	(574)
People Experience		15.8		(2,249)	(2,249)	15.8		(2,249)	(2,249)
People Safety and Wellbeing		4.0		(768)	(768)	4.0		(768)	(768)
People Services		6.0		(1,171)	(1,171)	6.0		(1,067)	(1,067)
TOTAL		28.8	0	(4,658)	(4,658)	28.8	0	(4,658)	(4,658)

	Adopted Budget			Proposed Q1	
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Graduate Employment Program			(841)		(841)
TOTAL		0	(841)	0	(841)

Strategy, Insights and Performance

	Adopted Budget				Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue									0
Employee Costs	13.0			(1,478)	(1,478)	13.0		(1,478)	(1,478)
Materials				(139)	(139)			(139)	(139)
Sponsorships									0
Depreciation									0
Finance Costs									0
TOTAL	13.0	0		(1,617)	(1,617)	13.0	0	(1,617)	(1,617)
Activity View									
Manager	1.0			(197)	(197)	1.0		(197)	(197)
Project Management Office	5.0			(258)	(258)	5.0		(258)	(258)
Strategy, Planning & Engagement	7.0			(1,162)	(1,162)	7.0		(1,162)	(1,162)
TOTAL	13.0	0		(1,617)	(1,617)	13.0	0	(1,617)	(1,617)

Adelaide Central Market Authority (ACMA)

	\$'000	FTE	Adopted Budget			FTE	Proposed Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue			5,343		5,343		5,343		5,343
Employee Costs		10.7		(1,787)	(1,787)	10.7		(1,787)	(1,787)
Materials				(4,257)	(4,257)			(4,257)	(4,257)
Sponsorships									0
Depreciation				(36)	(36)			(36)	(36)
Finance Costs				(1)	(1)			(1)	(1)
TOTAL		10.7	5,343	(6,081)	(738)	10.7	5,343	(6,081)	(738)
Activity View									
ACMA Operations		7.7	5,257	(5,250)	7	7.7	5,257	(5,250)	7
Market Expansion		3.0		(600)	(600)	3.0		(600)	(600)
Online Market Platform			86	(231)	(145)		86	(231)	(145)
TOTAL		10.7	5,343	(6,081)	(738)	10.7	5,343	(6,081)	(738)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Adelaide Central Market Expansion Operational Preparedness			(220)		(220)
TOTAL		0	(220)	0	(220)

Adelaide Economic Development Agency (AEDA)

	Adopted Budget					Proposed Q1			
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue			4,417		4,417		4,417		4,417
Employee Costs		33.1		(4,777)	(4,777)	33.1		(4,762)	(4,762)
Materials				(4,456)	(4,456)			(4,456)	(4,456)
Sponsorships				(3,249)	(3,249)			(3,249)	(3,249)
Depreciation				(88)	(88)			(88)	(88)
Finance Costs				(6)	(6)			(6)	(6)
TOTAL		33.1	4,417	(12,576)	(8,159)	33.1	4,417	(12,561)	(8,144)
Activity View									
General Manager AEDA		3.0		(630)	(630)	3.0		(630)	(630)
Business and Investment		7.5		(2,633)	(2,633)	7.5		(2,618)	(2,618)
Marketing		8.0		(1,917)	(1,917)	8.0		(1,917)	(1,917)
Rundle Mall Management		9.6	4,397	(4,439)	(42)	9.6	4,398	(4,439)	(41)
Visitor Economy		5.0	20	(2,957)	(2,937)	5.0	19	(2,957)	(2,938)
TOTAL		33.1	4,417	(12,576)	(8,159)	33.1	4,417	(12,561)	(8,144)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Operating Activities					
Adelaide Fashion Week			(310)		(310)
Business Growth - Business Support			(172)		(172)
Data and Insights			(213)		(198)
Event and Festival Sponsorship			(1,932)		(1,932)
General Marketing			(408)		(408)
Main streets Development Grants			(184)		(184)
Strategic Partnerships			(1,108)		(1,109)
Visitor Growth - Tourism Projects			(180)		(180)
TOTAL		0	(4,507)	0	(4,493)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Strategic Projects					
Rundle Mall Live Music Program			(100)		(100)
Tourism and Business Attraction			(133)		(133)
Commercial Events and Festivals Sponsorship Program					(300)
TOTAL		0	(233)	0	(533)

	Adopted Budget		Proposed Q1		
	\$'000	Inc.	Exp.	Inc.	Exp.
Capital Projects					
New and Upgrade		3,954	(3,954)	3,954	(4,004)
Renewal					
TOTAL		3,954	(3,954)	3,954	(4,004)

Kadaltilla / Adelaide Park Lands Authority

Adopted Budget					Proposed Q1				
	\$'000	FTE	Inc.	Exp.	Total(N)	FTE	Inc.	Exp.	Total(N)
Operating Budget									
Revenue			328		328		328		328
Employee Costs		1.3		(175)	(175)	1.3		(175)	(175)
Materials				(138)	(138)			(138)	(138)
Sponsorships				(15)	(15)			(15)	(15)
Depreciation									0
Finance Costs									0
TOTAL		1.3	328	(328)	0	1.3	328	(328)	0
Activity View									
Kadaltilla		1.3	328	(328)	0	1.3	328	(328)	0
TOTAL		1.3	328	(328)	0	1.3	328	(328)	0

Regional Subsidiary & Offices

Brown Hill and Keswick Creek Stormwater Board

The Regional Subsidiary, known as the Brown Hill and Keswick Creeks Stormwater Board, was established in February 2018. The Board coordinates the delivery of the Brown Hill Keswick Creek Stormwater Project, which is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The Board is governed by a Charter prepared by these five constituent Councils and subsequently approved by the Minister for Local Government.

Reporting for this Board is done separately and is not embedded in the City of Adelaide's quarterly report reporting, however, where available, the Board's own report and plans will be provided as attachments as well as being available on the Board's website.

Office of the Chief Executive Officer (CEO)

Supports the CEO to lead a sustainable, successful organisation, to make well informed decisions to deliver on Council's priorities, and to foster productive partnerships both with industry, and local government and other government bodies through the delivery of effective intergovernmental relations.

Key Focus Areas:

- Capital City oversight
- Communication and public relations
- Executive support and administration
- Grants and advocacy
- Partnerships and intergovernmental relations

Office of the Lord Mayor

Supports the Lord Mayor and Council Members to foster productive relationships with peak bodies, other government bodies and the community, to deliver our strategic priorities, plan, and fulfil our Capital City leadership responsibilities.

Key Focus Areas:

- Civic protocols and events
- Communication and public relations
- Lord Mayor and Council administration
- Partnerships and intergovernmental relations

Offices

Office of the Chief Executive & Office of the Lord Mayor

Planning & Budget Updates

There have been no proposed changes to the approved budget for the Office of the Chief Executive and the Office of the Lord Mayor during this quarter.

Quarterly Highlights

The Lord Mayor and CEO attended the Council of Capital City Lord Mayors Annual General Meeting in Darwin from 17-19 July 2024.

The Lord Mayor travelled to Penang Island 8-11 August 2024 as part of the Sister City 50th Anniversary celebrations.

The Lord Mayor's Homelessness Roundtable was held on 19 August in conjunction with the Park Lands, Policy & Sustainability Program.

The Premier and Lord Mayor co-hosted a reception at the Adelaide Oval to welcome home Australian Olympic and Paralympic Athletes, which was followed by a public event in Gawler Place, Rundle Mall on 15 September 2024.

Budget

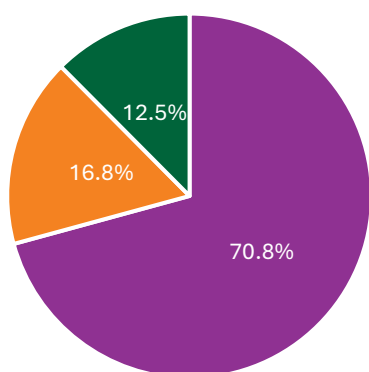
	\$'000	FTE	Adopted Budget				Proposed Q1		
			Inc.	Exp.	Total(N)		Inc.	Exp.	Total(N)
Operating Budget									
Revenue									0
Employee Costs		10.3		(1,808)	(1,808)	10.3		(1,808)	(1,808)
Materials				(1,289)	(1,289)			(1,289)	(1,289)
Sponsorships				0	0				0
Depreciation									0
Finance Costs									0
TOTAL		10.3		(3,097)	(3,097)	10	0	(3,097)	(3,097)
Program Budget									
Office of the Chief Executive		4.0		(1,457)	(1,457)	4.0		(1,457)	(1,457)
Civic Event, Partnerships, and Other Events				(482)	(482)			(482)	(482)
Lord Mayor's Office Administration		6.3		(1,158)	(1,158)	6.3		(1,158)	(1,158)
TOTAL		10.3	0	(3,097)	(3,097)	10.3	0	(3,097)	(3,097)

Projects

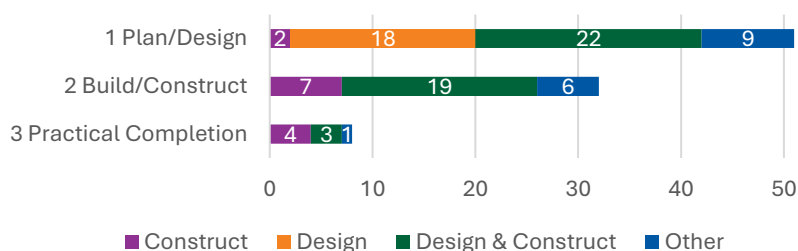
New and Significant Upgrades

New and Significant Upgrade projects are works of a capital nature that are either introducing new assets or significantly upgrading existing assets, usually by extending the footprint of an asset or increasing the level of service an asset provides.

Approved Budget



- Remaining Budget \$40.200m
- Spent \$9.534m
- Contracted \$7.075m



Budget Highlights

The New and Significant Upgrade budget has increased by \$10.081m from the original budget of \$56.809m to a proposed Quarter 1 budget of \$66.890m due to the continuation of 42 projects from 2023-24 of \$9.462m, the receipt of 4 new grants of \$0.595m and accrued grant interest in Quarter 1 of \$0.024m.

Key Achievements

During the quarter, 8 New and Significant Upgrade projects achieved practical completion, including Pitt Street (final section of the Market to Riverbank link project), Hutt Road/Park Lands Trail signalised crossing, Park 27B Sports building lighting upgrade and Francis Street artwork.

Quarter 1 saw the commencement of delivery of the Charles Street - Streetscape Upgrade Major project.

Several projects have signed contracts for intended works. This includes Rymill Park/Murlawirrapurka (Park 14) Public Lighting Upgrade, Park 11 Shared Use Path and lighting upgrade, and Christmas 2024 King William Street light pole motifs.

A number of New and Significant Upgrade projects are currently in the market with the aim of commencing delivery later this year, including Torrens retaining structure and 218-232 Flinders Street (demolition).

2024/25 New and Significant Upgrade Projects

Project	Plan		Expenditure (\$'000)			
	Delivered by		Adopted Budget	Proposed Q1	Variance	Stage
City Shaping Portfolio						
City Culture						
Christmas 2024	● Jan 25	●	0	188	(188)	Build/ Construct
City Activation (Festoon Lighting)	▲ Feb 25	●	0	49	(49)	Plan/ Design
City of Music Laneways - The Angels Artwork	● Mar 25	●	45	61	(16)	Plan/ Design
Golden Wattle Park / Mirnu Wirra (Park 21 West) - New Community Sports Building (detailed design)**	●	●	100	100	0	Plan/ Design
Honouring Women in the Chamber - Portrait Commissions	▲ Jun 25	▲	12	15	(3)	Build/ Construct
Iparrityi Commission for Whitmore Square	▲ Jun 25	●	140	140	0	Plan/ Design
Main Street Revitalisation - Melbourne Street (planning) including Public Artwork	● Jun 26	●	200	200	0	Design Only
Market to Riverbank Link Project^	● Sep 24	●	0	43	(43)	Build/ Construct
Place of Courage^	◆ Jun 25	●	90	190	(100)	Plan/ Design
Public Art	●	●	0	42	(42)	Plan/ Design
Public Art Action Plan Deliverables	● Jun 25	●	250	250	0	Plan/ Design
Ruby Hunter & Archie Roach Laneway Artwork	▲ May 25	▲	25	25	0	Plan/ Design
Park Lands, Policy & Sustainability						
Climate Change Action Initiative Fund (CCAIF)	●	●	0	79	(79)	Build/ Construct
Disability Access and Inclusion Plan 2024-2028 Implementation	●	●	100	100	0	Plan/ Design
Greener City Streets Program^	▲ Dec 24	●	0	23	(23)	Build/ Construct
Implementation of Resource Recovery (Organics, Recycling, Waste) Strategy & Action Plan 2020-2028**	●	●	0	10	(10)	Plan/ Design
Light Square / Wauwi – Master Plan (detailed design)	●	●	250	250	0	Design Only
Public Realm Greening Program (street tree planting)	▲	●	1,700	5,700	(4,000)	Plan/ Design
Victoria Park / Pakapakanthi (Park 16) Master Plan implementation	●	●	250	250	0	Plan/ Design
City Services Portfolio						
City Operations						
Plant and Fleet Replacement Program	●	●	108	108	0	Plan/ Design
Infrastructure						
Adelaide Town Hall - David Spence Room and Prince Alfred Room - TV and False Wall	● Sep 24	●	0	84	(84)	Practical Completion
Bikeways (North-South)^	◆ Oct 02	●	1,250	1,648	(398)	Build/ Construct
Black Spot Funding 23/24 Signage	● Sep 24	●	0	3	(3)	Practical Completion
Bonython Park / Tulya Wardli Shared Path Lighting, Retaining wall and Footpath Upgrade (Construction)	●	▲	0	0	0	Plan/ Design
Botanic Catchment Water Course Rehabilitation*^	●	●	340	353	(13)	Plan/ Design
Brown Hill Keswick Creek - Stormwater Project	●	●	320	320	0	Plan/ Design
Charles Street – Streetscape Upgrade Major Project^	● Apr 25	●	5,925	5,887	38	Build/ Construct
Communication Server Relocation and Associated Services (Central Market)	●	●	300	300	0	Build/ Construct

Project	Plan		Expenditure (\$'000)			
	Delivered by		Adopted Budget	Proposed Q1	Variance	Stage
City Services Portfolio						
Infrastructure cont.						
Field Street Improvements (Construction)*	● Nov 24	●	0	573	(573)	Build/ Construct
Francis Street Public Art	● Aug 24	●	0	28	(28)	Practical Completion
Frome Street - Footpath Upgrades	▲ Oct 24	●	550	462	88	Build/ Construct
Gawler Upark - Facade Coating Treatment	● Oct 24	●	0	0	0	Build/ Construct
Glen Osmond Road / Hutt Road and Carriageway Park / Tuthangga (Park 17) - Improvements (detailed design)*	●	●	20	20	0	Design Only
Glen Osmond Road / Hutt Road Intersection Upgrade	●	▲	22	22	0	Design Only
Greener City Streets Program ^	▲ Dec 24	●	122	197	(75)	Build/ Construct
Hutt Rd and South Tce Intersection Traffic Signal Upgrade Black Spot ^	●	●	0	235	(235)	Build/ Construct
Hutt Road / Park Lands Trail Signalised Crossing (Construction) ^	● Sep 24	●	0	222	(222)	Practical Completion
Hutt Street and South Terrace Stormwater Improvements (Detailed Design)*	▲ Apr 25	●	115	224	(109)	Build/ Construct
Hutt Street Entry Statement Project ^	● Sep 24	●	730	1,355	(625)	Build/ Construct
James Place Upgrade*	◆ Aug 25	●	100	100	0	Plan/ Design
Jeffcott Street – Pavement and Stormwater Upgrades (concept design)*	●	●	10	0	10	Design Only
Kingston Terrace Bus Stop Upgrades (Construction)	● May 25	●	0	157	(157)	Plan/ Design
Light Square Electrical Infrastructure Upgrade	● Oct 24	●	0	182	(182)	Practical Completion
Main Street Revitalisation - Gouger Street (detailed design)	● Jan 27	▲	1,250	1,574	(324)	Plan/ Design
Main Street Revitalisation - Hindley Street*	▲ May 27	▲	4,980	5,160	(180)	Plan/ Design
Main Street Revitalisation - Hutt Street (detailed design)	●	●	1,250	1,295	(45)	Design Only
Main Street Revitalisation - Melbourne Street (planning) including Public Artwork	● Jun 26	●	100	100	0	Design Only
Main Street Revitalisation - Melbourne Street Improvements ^	● Apr 25	●	612	697	(85)	Build/ Construct
Main Street Revitalisation - O'Connell Street (detailed design)	● Feb 27	●	1,000	1,024	(24)	Design Only
Market to Riverbank Link Project ^	● Sep 24	●	0	435	(435)	Build/ Construct
Minor Traffic Signal Safety Upgrades - 3G Hardware Replacement	● Oct 24	●	0	7	(7)	Build/ Construct
Mistletoe Park/ Tainmuntilla (Park 11) Shared Use Path Renewal & Public Lighting Upgrade* ^	● Apr 25	●	149	188	(39)	Build/ Construct
New Access Ramps for Accessible Car Parks (Construction)	●	●	0	10	(10)	Plan/ Design
New Parents Room with store room (Central Market)	●	▲	55	55	0	Design Only
North Adelaide Golf Links - Renewal Planning*	●	●	80	80	0	Plan/ Design
O'Connell St / Archer St Intersection Improvements (Blackspot)**	●	●	0	350	(350)	Plan/ Design
Park 27B Hellas Sports club building and lighting upgrade (grant) ^	▲	●	100	336	(236)	Design Only
Park Land Buildings Upgrades	▲	●	1,763	1,763	0	Plan/ Design
Public Lighting Alterations - 176 Mackinnon Parade, North Adelaide	● Sep 24	▲	0	23	(23)	Practical Completion
Royal Avenue – Improvements*	●	●	100	0	100	Plan/ Design
Rymill Park / Murlawirrapurka (Park 14) – Master Plan safety and accessibility works* ^	● Apr 25	●	822	822	0	Build/ Construct
Rymill Park / Murlawirrapurka (Park 14) Public Lighting Upgrade (Construction) ^	● May 25	●	0	357	(357)	Build/ Construct

Project	Plan		Expenditure (\$'000)				
	Delivered by		Adopted Budget	Proposed Q1	Variance	Stage	
City Services Portfolio							
Infrastructure cont.							
Rymill Park /Murlawirrapurka (Park 14) Lake Upgrade (Construction)^	●	Nov 24	●	0	306	(306)	Build/ Construct
School Safety Implementation Project	●		●	250	250	0	Plan/ Design
Torrens retaining structure	●	Jul 25	●	1,600	1,600	0	Build/ Construct
Vincent Street and Vincent Place – Improvements*	▲		●	1,203	1,203	0	Plan/ Design
West Pallant Project Steet Lighting Design*	●		●	0	33	(33)	Plan/ Design
Strategic Property and Commercial							
218-232 Flinders Street	●	Feb 25	●	0	407	(407)	Build/ Construct
Central Market Arcade Options	●	Feb 26	●	285	409	(124)	Build/ Construct
Central Market Arcade Redevelopment	●	Feb 26	●	15,918	15,918	0	Build/ Construct
South West Community Centre	●	Jun 25	●	1,500	1,500	0	Plan/ Design
Corporate Services Portfolio							
Corporate Activities							
Project Delivery Management Costs (Overheads)*	●		●	6,764	6,764	0	Build/ Construct
Adelaide Economic Development Agency							
Experience Adelaide Centre^	●		●	3,954	3,954	0	Plan/ Design
Rundle Mall Sound System	●	Jun 25	●	0	50	(50)	Plan/ Design
Information Management							
Microsoft Teams Enabled Room - Lord Mayor's Office	●	Oct 24	●	0	25	(25)	Build/ Construct
Total New and Upgrade Program				56,809	66,890	(10,081)	

* in addition to this budget there is a renewal amount which is reflected separately in the Renewal Program Table

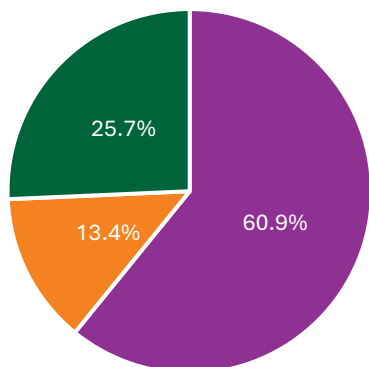
** fully grant funded

^ partially grant funded

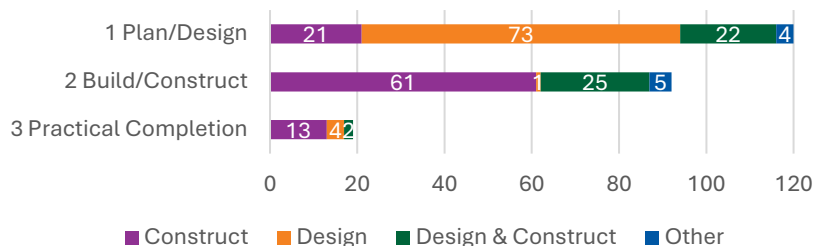
Renewals

Renewals are works of a capital nature that are replacing an existing asset like for like, or like for modern equivalent.

Approved Budget



■ Remaining Budget \$34.097m
 ■ Spent \$7.529m
 ■ Contracted \$14.395m



Budget Updates

There is no change to the renewal budget of \$56.022m at Quarter 1. Variations in budget categories are as a result of realigning and reprioritising the budget to the asset category being renewed.

Key Achievements

During the quarter, 19 renewal projects achieved practical completion, including Park 26/Lights Vision footpath renewal, bud lighting renewal program, Adelaide Central Market – asphalt renewal and various road renewals.

Quarter 1 saw the commencement of delivery of the following projects: ICT Network and Security updates, Golf Course - green renewals, Childers Street lighting renewal and various traffic signal and road renewal projects.

Several projects have signed contracts for the intended works. This includes ICT's laptop and PC replacements, public lighting and electrical conduit renewal on Glen Osmond Road, Park 20/Kurangga footpath renewal, Adelaide Town Hall service lift renewal and bollard renewals in Rundle Mall.

A number of renewal projects are currently in the market with the aim of commencing delivery later this year, including Hutt Street/South Terrace Stormwater improvements, Unley Road stormwater culvert and Grenfell Street footpath renewal.

2024/25 Renewal Budget by Category

\$'000	Adopted Budget	Proposed Q1	Variance	
Bridges	350	350	0	►
Buildings	11,205	11,325	(120)	▼
ICT Renewals	1,591	1,591	0	►
Light'g & Electrical	1,708	1,985	(277)	▼
Park Lands Assets	2,128	2,174	(46)	▼
Plant and Fleet	1,689	1,689	0	►
Traffic Signal	3,606	2,937	669	▲
Transport	19,459	17,370	2,089	▲
Urban Elements	2,891	2,944	(53)	▼
Water Infrastructure	5,729	7,992	(2,263)	▼
Project Management Delivery Costs	5,665	5,665	0	►
TOTAL	56,022	56,022	0	►

2024/25 Renewal Projects by Category and Project Phase

Category	Total*	Design only	Plan/Design	Build/Construct	On Hold	Complete
Bridges	5	3	2			
Buildings	31	4	10	15		2
ICT Renewals	8		7	1		
Light'g & Electrical	29	19	1	6		3
Park Lands Assets	18	7	3	8		
Plant and Fleet	6		3	2		1
Traffic Signal	9		1	8		
Transport	66	22	14	20		10
Urban Elements	49	15	5	26		3
Water Infrastructure	10	3	1	6		
TOTAL	231	73	47	92	0	19

*Total Project count: mixed funded projects are only counted once in the total project count.

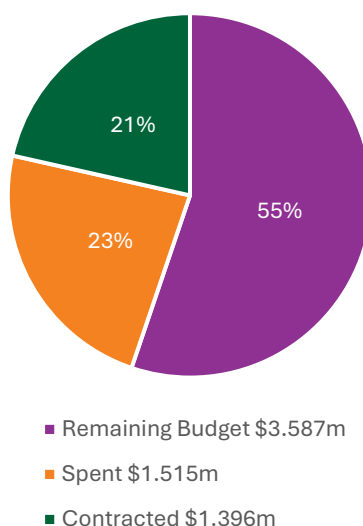
Note:

- Transport is made up of Roads, Pathways and Kerb and Water Table
- Plant and Fleet includes Commercial Plant and Fleet
- Some projects have been broken down into sub-projects, so total appears different

Strategic Projects

Strategic Projects are generally 'one off' or short-lived activities that have been prioritised to be delivered within a specific timeframe to meet strategic outcomes, often as a result of Council decisions and/or partnerships.

Approved Budget



Budget Updates

The Strategic Projects budget has increased by \$0.626m from the original approved budget of \$6.499m to a proposed Quarter 1 budget of \$7.125m.

The inclusion of grant funded initiatives (Historic Area Statement – Code Amendment, Botanic Creek Rehabilitation, Adelaide Park Lands Water Resources Study & Social Work in Libraries Evaluation Framework), ongoing previous year projects (Conservation Management Plans for Heritage Assets, Transport Strategy, City Speed Limit Review & School Safety Review) and Council endorsed projects (Commercial Events & Festivals Sponsorship Program) are contributing to this increase.

Key Achievements

Quarter 1 has seen the number of strategic projects increase with the inclusion of new projects in City Shaping (Social Work in Libraries Evaluation Framework, Historic Area Statement – Code Amendment & Botanic Creek Rehabilitation) and Corporate Services (Commercial Events and Festivals Sponsorship Program).

Successful grant submissions have assisted in easing funding constraints, with a number of projects attracting external funding.

SA Power Networks Luminaire Upgrades and Social Planning Homelessness and Adelaide Zero Project Resourcing have both reached practical completion in Quarter 1.

Overall, the strategic program is 42% committed and spent at Quarter 1, with continued procurement and delivery into Quarter 2.

2024/25 Strategic Projects	Plan		Expenditure (\$'000)			
	Delivered by		Adopted Budget	Proposed Q1	Variance	
City Shaping						
City Culture						
DHS Community Neighbourhood Development Funding^	●	Jun 2025	99	99		▶
City Activation	●	Jun 2025	502	502		▶
Park Lands, Policy & Sustainability						
Social Work in Libraries Evaluation Framework**	●	Nov 2024		25	(25)	▲
Social Planning Homelessness and Adelaide Zero Project Resourcing		Complete	208	208		▶
Reconciliation Action Plan 2024-2027 Implementation	●	Jun 2025	150	150		▶
National Heritage Management Plan Implementation	●	May 2025	100	100		▶
Local Heritage Assessments - 20th Century Buildings	●	Jun 2025	50	50		▶
Homelessness Strategy Implementation	●	Jun 2025	50	50		▶
Historic Area Statement - Code Amendment	●	Jun 2025		112	(112)	▲
Economic Development Strategy Implementation	●	Jun 2025	106	106		▶
Disability Access and Inclusion Plan 2024-2028 Implementation	●	Jun 2025	215	215		▶
Delivering the Planning and Design Code Amendment Program 23-26 (Year 2)	●	Jun 2025	240	240		▶
Botanic Creek Rehabilitation (Community Planting)^	●	Jun 2025		72	(72)	▲
Adaptive Reuse City Housing Initiative^	●	Dec 2025	290	250	40	▼
Regulatory Services						
On-Street Parking Compliance Technology and Customer Analytics Reform	●	Jun 2025	148	148		▶
City Services						
City Operations						
Feasibility Studies - Waste and Recycling Collection	●	Jun 2025	100	100		▶
Infrastructure						
Transport Strategy	▲	Jun 2025	200	276	(76)	▲
School Safety Review	●	Mar 2025		12	(12)	▲
SA Power Networks (SAPN) Luminaire Upgrades		Complete	15	15		▶
Resilient Flood Mapping	▲	May 2025	1,723	1,723		▶
Conservation Management Plans for Heritage Assets	●	Jun 2025		41	(41)	▲
City Speed Limit Review	●	Aug 2024		27	(27)	▲
Bridge Maintenance Program	▲	Jun 2025	400	400		▶
Asset Condition Audit	●	May 2025	595	565	30	▼
Adelaide Park Lands Strategic Water Resources Study	▲	Jun 2025	50	80	(30)	▲
Strategic Property & Commercial						
88 O'Connell Project Delivery	●	Jun 2025	80	80		▶
218 - 232 Flinders Street Masterplan Investigations	●	Jun 2025	150	150		▶
Corporate Services						
Governance						
ESCOSA Review	●	Feb 2025	40	40		▶
Information Management						
Cyber Security Enhancement	●	Jun 2025	85	85		▶
Contact Centre Software Replacement	●	Mar 2025	450	450		▶
ACMA						
Adelaide Central Market Expansion Operational Preparedness	●	Jun 2025	220	220		▶
AEDA						
Tourism and Business attraction	●	May 2025	133	133		▶
Rundle Mall Live Music Program	●	Jun 2025	100	100		▶
Commercial Events and Festivals Sponsorship Program	●	Jun 2025		300	(300)	▲
TOTAL		34 projects	6,499	7,125	(626)	

Budget

Summary

September Year to Date (YTD)

The operating position as at the end of quarter 1 2024/25 is a surplus of \$4.907m, which is (\$0.476m) unfavourable to the Year to Date (YTD) budget of \$5.383m. This is driven by:

- **Income \$0.788m favourable** to budget largely due to higher fees and charges across Commercial Parking income \$0.489m and Nursery Sales \$0.083m, as well as additional corporate grants programs \$0.100m (including Financial Assistance Grants).
- **Expenditure (\$1.264m) unfavourable** and is largely due to resource costs (employee costs net of external temporary labour backfills) which is (\$1.413m) higher than budget. This is due to the alignment of the salary and wages pay runs in July; the Q1 budget will be retimed to align to the revised actual pay cycles which gives rise to a variance of a favourable position of \$0.114m. Other variances include depreciation of (\$0.538m) reflecting the 2023/24 asset revaluations, offset by favourable timing of materials, contract and other expenditure.

The Capital Projects spend of \$17.063m is \$0.266m higher than the YTD budget of \$16.797m. This is a result of the continued effort to deliver the 2024/25 capital program.

Council had net cash surplus of \$27.782m as at 30 September, with \$2.510m in bank accounts and \$25.272m in deposits.

Quarter 1 2024/25 Projected Operating Position

The proposed Quarter 1 forecast is an operating surplus of \$9.367m which remains consistent as per the adopted budget. The following adjustments are incorporated into Quarter 1:

Additional Income of \$0.483m through the recognition of additional commercial parking revenue of \$0.130m, extension of a long term lease of \$0.166m, additional grants received of \$0.215m, the sale of gaming machine entitlements \$0.100m and other minor increases of \$0.074m. Offsetting this is a reduction in property rental income of (\$0.202m) due to higher than budgeted vacancies.

Additional Expenditure of (\$0.483m) through an increase in Strategic Project funding of (\$0.626m) including (\$0.300m) for the AEDA commercial events fund and (\$0.269m) of strategic projects continuing into 2024/25, and new projects of (\$0.057m) to be delivered through external grant programs. Other changes include additional commercial parking labour and software licences of (\$0.164m) to deliver the increased revenue, additional minor increases in expenditure of (\$0.085m) offset by a reduction in commercial parking bank fees of \$0.392m due to a combination of a one-off overcharge and a beneficial rate reduction in the new banking contract.

The **Capital Program** is proposed to increase by \$10.081m from \$112.831m to \$122.912m as a result of the continuation of 42 projects from 2023/24 of \$9.462m, the receipt of 4 new grant funded projects \$0.595m and accrued interest of \$0.024m from externally funded projects. Ther renewal program has been reprioritised to be delivered in line with the adopted budget.

Borrowings are forecast to reduce by \$29.944m from \$53.677m to \$23.733m. This is largely due to the cash positive position as at 30 June 2024.

Budget

Operating Position (Financial Performance)

\$000's	YTD Actual	YTD Budget	Variance	Full Year Budget	Q1 Review	Variance
Rates Revenue	36,077	36,152	(75)	144,908	144,908	0
Fees and Charges	21,902	21,525	377	84,292	84,460	168
Grants, Subsidies and Contributions	1,237	908	329	4,842	5,057	215
Other Income	387	230	157	1,183	1,283	100
Total Revenue	59,603	58,815	788	235,225	235,708	483
Employee Costs	19,726	19,625	(101)	86,220	86,489	(269)
Materials, Contracts and Other Expenses	18,200	17,660	(540)	75,824	75,779	45
Sponsorships, Contributions and Donations	1,803	1,726	(77)	6,149	6,408	(259)
Depreciation, Amortisation and Impairment	14,757	14,219	(538)	56,857	56,857	0
Finance Costs	210	202	(8)	808	808	0
Total Expenses	54,696	53,432	(1,264)	225,858	226,341	(483)
Operating Surplus / Deficit	4,907	5,383	(476)	9,367	9,367	0

Capital Program

	YTD Actual	YTD Budget	Variance	Full Year Budget	Q1 Review	Variance
New and Upgrades Projects	9,534	8,145	(1,389)	56,809	66,890	(10,081)
Renewal / Replacement of Assets	7,529	8,652	1,123	56,022	56,022	0
Total Revenue	17,063	16,797	(266)	112,831	122,912	(10,081)

Operating Program – Adjustments

\$000's	Budget	Proposed	Variance
2024/25 Quarter 1 Budgeted Operating Position			
Lease Extension			
Extension of a Long Term Lease	0	166	166
Commercial Parking Income			
Recognise one off favourable variance	44,490	44,620	130
Park Land Property Rental Income			
Higher than budgeted rental incomes	1,077	1,112	35
Property Rental Income			
Unbudgeted vacancies	6,615	6,413	(202)
Roads To Recovery Grant Funding			
Additional grant funding received	255	332	77
Creek Of Cultural Connection - Grant Funding			
Funding for community planting activities in Parks 14, 15 & 16	0	58	58
Creek Of Cultural Connection - Expenditure			
Project for community planting activities in Parks 14, 15 & 16	0	(72)	(72)
SA Council Modernisation Grants - Grant Funding			
Funding for Organic Residential Trials	0	34	34
SA Council Modernisation Grants - Expenditure			
Costs for Organic Residential Trials	0	(28)	(28)
Financial Assistance Grant (General Purpose)			
Additional grant funding received for 24/25	697	717	20
Supplementary Local Roads			
Additional grant funding received for 24/25	126	129	3
Kerbside Performance Grant			
Grant funding received for Food Waste	0	3	3
Financial Assistance Grant (Local Roads)			
Additional grant funding received for 24/25	357	358	1
Gaming Machine Entitlements			
Higher than expected income	0	100	100
Data & Insights Analyst (AEDA)			
Reduction in salary level after Mercer review	(132)	(117)	15
Commercial Parking Labour			
Additional labour required to deliver increased revenue	(2,315)	(2,414)	(99)
Historic Area Statement			
Continuation of strategic project into 24/25	0	(113)	(113)
Transport Strategy			
Continuation of strategic project into 24/25	(200)	(276)	(76)
Parking Software			
Licence cost higher than anticipated	(664)	(729)	(65)
Heritage Strategy 2021-2036			
Continuation of strategic project into 24/25	0	(41)	(41)
City Speed Limit Review			
Continuation of strategic project into 24/25	0	(27)	(27)
School Safety Review			
Continuation of strategic project into 24/25	0	(12)	(12)
SA Power Networks Luminaire Upgrades			
Strategic project completed with savings	(15)	(14)	1
Parking Bank Fees			
One-off overcharge plus beneficial rate from new banking contract	(1,035)	(643)	392
Commercial Events Fund - AEDA			
Re-instatement of fund based on Council Decision 11 June 2024	0	(300)	(300)

Budget

Operating Program – Adjustments (continued)

The following changes have a net nil impact on the Operating Program, as income or grant funding received fully offsets incurred expenditure:

\$000's	Budget	Proposed	Variance
Employee Costs			
Additional Aboriculture Technical Officer to manage contractor and scheduling of maintenance, offset by an increas in vacancy management target.	86,220	86,220	(108) 108
East End Unleashed - Income			
Unbudgeted event income offset by set up costs	0	40	40
East End Unleashed - Expenditure			
Unbudgeted event income offset by set up costs and contractor costs budget reallocated from Events	(145)	(294)	(149)
Events - Expenditure			
Contractor costs reallocated to East End Unleashed	(1,392)	(1,283)	109
Live & Local - Grant Funding			
Partnership with LMO	0	35	35
Live & Local - Expenditure			
Partnership with LMO	0	(35)	(35)
Adaptive Re-Use - Grant Funding			
Lower than budgeted grant income as a result of grant revenue recognition in 2023/24	290	250	(40)
Adaptive Re-Use - Expenditure			
Reduction in expenses to offset lower than budgeted grant income	(290)	(250)	40
Social Workers In Libraries - Grant Funding			
Funding received to be fully expended on project	0	25	25
Social Workers In Libraries - Expenditure			
Funding received to be fully expended on project	0	(25)	(25)

Capital Program – Adjustments

\$000's	Budget	Proposed	Variance
New and Upgrades			
Works of a significant nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.	56,809	66,890	(10,081)
Renewals			
Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	56,022	56,022	0
Total Adjustment	112,831	122,912	(10,081)

Budget

Financial Indicators

	Target	Adopted	Q1
Operating Surplus Ratio The ratio expresses the Operating Surplus as a percentage of Total Operating Revenue.	0%-20%	4.0%	4.0%
Net Financial Liabilities The ratio expresses the Financial Liabilities as a percentage of Operating Income.	Less than 80%	21%	15%
Asset Sustainability Ratio The ratio expresses the expenditure on Asset Renewals as a percentage of forecast required expenditure according to the Asset Management Plans.	90%-110%	92.5%	92.5%
Asset Test Ratio The ratio expresses Borrowings as a percentage of Saleable Property Assets.	Maximum 50%	17%	8%
Interest Expense Ratio Interest expense as a percentage of General Rates Revenue (less Landscape Levy).	Maximum 10%	2.0%	2.0%
Leverage Test Ratio The ratio expresses total Borrowings relative to General Rates Revenue (less the Landscape Levy).	Maximum 1.5 years	0.4 years	0.2 years
Cash Flow From Operations Ratio The ratio expresses Operating Income as a percentage of Operating Expenditure plus expenditure on Renewal/Replacement of assets.	Greater than 100%	103%	110%
Borrowings The ratio expresses Borrowings as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 50%	34%	15%
Borrowings The ratio expresses Borrowings (Gross of Future Fund) as a percentage of the Prudential Borrowing Limit (50% of Saleable Property Assets).	Less than 50%	56%	40%

On track	Within range
At risk	May be within range but at risk of going outside of range
Off track	Outside of range

Budget

Treasury Reporting

The tables below present the debt and cash investment information as required by Council's Treasury Policy.

Table 1 shows the borrowing facilities taken out by Council. Council had nil borrowings as at 30 September 2024:

Borrowings Facility*	Available	Interest Type	Interest Rate	Current Borrowings	Change since previous report \$'000	Maturity Date
LGFA CAD 555	\$70m	Variable	5.60%	-	-	15/06/2033

* Note CAD facilities are flexible and allows Council to convert all or part of it into a fixes rate interest only loan for a maximum of 5 years.

Table 2 shows cash invested by Council. Council had \$27.782m in cash investments at 30 September 2024:

Cash & Cash Equivalents	Available	Interest Type	Interest Rate	Current Investments	Change since previous report \$'000	Maturity Date
LGFA General		Variable	4.55%	\$25.272m	\$25.073m	-
NAB		Variable	4.35%	\$0.382m	\$0.102m	-
CBA		Variable	4.35%	\$2.128m	\$0.972m	-

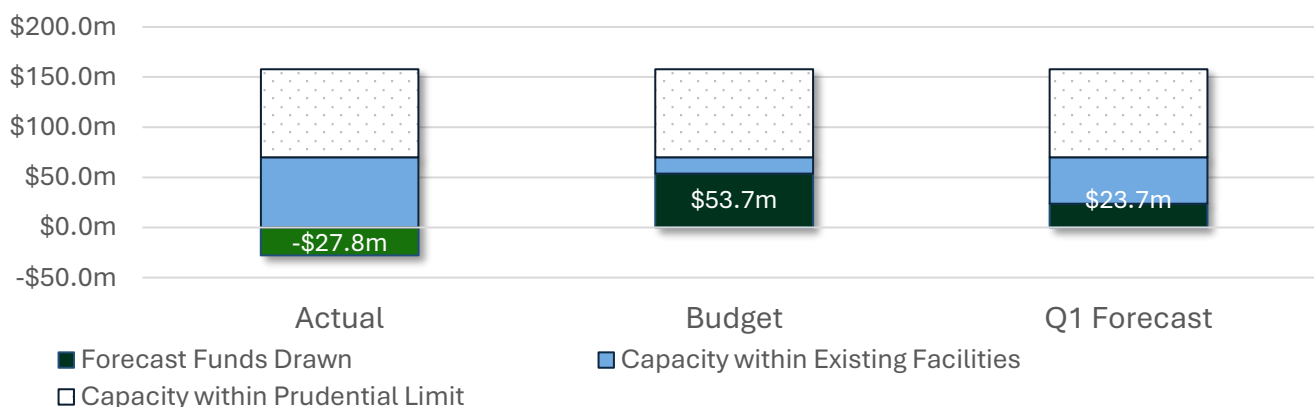
Total borrowings without the Future Fund offset (\$36.629m) would otherwise be \$8.846m.

Table 3 provides the Prudential Limit Ratios as outlined in Council's Treasury Policy:

Prudential Limit Ratio**	Comments	Limits	YTD Actual
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy).	Maximum 10%	0.03%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy).	Max 1.5 years	0 years
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Maximum 50%	0%

Borrowings: showing current facilities against our prudential limit and forecasted position

Borrowings



Glossary

Budget

24/25 Budget: is the current adopted budget.

Financial Indicators: Measures used to assess Council's financial performance, to guide decision making on major projects, and ensure its continued financial sustainability.

Reallocation: Reallocation of funds from one source to another.

Reclassification: A change of a project categorisation to reflect the scope, size or funding source of a project (e.g. Renewal to Upgrade).

Retimed: Deliberate change of timing of a project into a future year based on an agreed decision.

Subsidiaries: Established by Council under Section 42 of the *Local Government Act 1999 (SA)* that operate under independent boards or organisations that the City of Adelaide either operates or supports.

Capital Works

New and upgrade: Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.

Renewal: Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.

Project Management Phases

Commit/Concept: A project plan is being finalised with scope, and greater understanding of budget timing and stakeholder management.

Design: Projects for which only the design phase will be undertaken in the current year, with construction occurring in another financial year.

Design/Detail Planning: The planning and design phase of a project, which includes activities such as project planning and technical design.

Build/Construct (also Deliver): The build and construction phase of a project, which includes activities such as tendering, and construction/creating an asset.

Practical Completion: The practical completion phase of a project where an area/asset is open and created in our asset system. Depreciation commences at this point.

On Hold: Project status indicating a decision of Executive or Council is required and cannot proceed until a decision is reached.

Types of Projects

Capital Project: A long-term project to establish, develop, improve or renew a capital project.

Strategic Project: Delivers the Strategic Plan and are generally 'once off' that have been prioritised to be delivered in a specific timeframe. Strategic Project budgets are operational in nature (not capital) and are aligned to a relevant service.

Appendix: Risk and Opportunities

Risks and Opportunities

The construction of Market Square and decreased capacity in the UPark Central Market, together with local economic conditions and cost of living pressures could have an impact on potential spend in the market.

Access to the Adelaide Central Market may also be affected by compounding pressures in the precinct. This would depend on the timing of projects such as future renovations of Market Plaza entrances, Main Street Revitalisation – Gouger Street project, and road closures for major events, all of which could have an impact on potential spend in the Market.

19 leases within the Adelaide Central Market will expire in FY24/25. There is a potential for this to have a direct impact on revenue. Leasing agreements are progressing well at this stage, ahead of tenancy schedule.

City Operations is currently reviewing the maintenance programs and operating budgets required to support the New and Upgrade projects to ensure all future budgets capture the funding required to maintain these assets within the agreed service standards.

Higher than expected staff turnover and movement in On-Street Parking has led to lower forecast revenue at Quarter 1. Different approaches are being reviewed to compensate for this in remaining quarters.

Development of the Helen Mayo Master plan is a project to be undertaken with State Government. The timing and delivery of the project relates to State Government investment.

Resourcing, both internal and external, remains a challenge for progressing projects through design and construction. Internal resources continue to be supplemented with short term contract staff and external consultants and contractors have high workloads due to a busy time in the industry, with pricing remaining at post-covid levels.

In Quarter 1, Council reviewed multiple avenues for grant revenue and after further investigation, eight opportunities, across four government schemes, were formally submitted. Outcomes of these applications will be known throughout 2024/25.

From applications made towards the end of 2023/24, four grant applications were awarded to the City of Adelaide in Quarter 1 equalling \$2.1 million of funding support from both the State and Federal Government. This external funding will go towards supporting projects such as the James Place and Charles Street upgrades amongst others. Further opportunities are being investigated for submission due in Quarter 2.

Appendix: Financial Statements

Statement of Comprehensive Income \$'000s

	Adopted Budget	Q1
Income		
Rates Revenue	144,908	144,908
Statutory Charges	16,893	16,893
User Charges	67,399	67,567
Grants, Subsidies and Contributions	4,842	5,057
Investment Income	166	166
Reimbursements	150	150
Other Income	866	967
TOTAL INCOME	235,225	235,708
Expenses		
Employee Costs	86,220	86,489
Materials, Contracts and Other Expenses	81,973	82,187
Depreciation, Amortisation and Impairment	56,857	56,857
Finance Costs	808	808
TOTAL EXPENSES	225,858	226,341
Operating Surplus (Deficit)	9,367	9,367
Asset Disposal & Fair Value Adjustments	0	0
Amounts Received Specifically for New or Upgraded Assets	7,026	9,015
Net Surplus / (Deficit)	16,393	18,382
Changes in Revaluation Surplus – I,PP&E	0	0
TOTAL OTHER COMPREHENSIVE INCOME	16,393	18,382

Statement of Financial Position

\$'000s	Adopted Budget	Q1
ASSETS		
<u>Current Assets</u>		
Cash and Cash Equivalents	800	800
Trade & Other Receivables	45,116	19,556
Inventories	741	805
Other Current Assets	0	27,000
Total Current Assets	46,657	48,161
<u>Non-Current Assets</u>		
Financial Assets	679	839
Equity Accounted Investments in Council Businesses	2,258	4,386
Investment Property	2,968	3,165
Infrastructure, Property, Plant and Equipment	1,924,347	2,075,923
Other Non-Current Assets	1,306	0
Non-Current Receivable	0	0
Total Non-Current Assets	1,931,559	2,084,313
TOTAL ASSETS	1,978,216	2,132,474
LIABILITIES		
<u>Current Liabilities</u>		
Trade and Other Payables	19,071	23,829
Provisions	21,596	16,875
Borrowings (Lease Liabilities)	5,142	5,077
Total Current Liabilities	45,808	45,781
<u>Non-Current Liabilities</u>		
Trades and Other Payables	0	16,066
Borrowings	53,677	23,733
Provisions	2,103	2,058
Borrowings (Lease Liabilities)	30,922	34,241
Total Non-Current Liabilities	86,703	76,098
TOTAL LIABILITIES	132,511	121,879
Net Assets	1,845,705	2,010,595
EQUITY		
Accumulated Surplus	807,169	799,387
Asset Revaluation Reserves	1,004,383	1,171,996
Future Reserve Fund	34,154	39,212
TOTAL COUNCIL EQUITY	1,845,705	2,010,595

Statement of Changes in Equity

\$'000s	Adopted Budget	Q1
Balance at the end of previous reporting period	1,829,312	1,992,213
a. Net Surplus / (Deficit) for Year	16,393	18,382
b. Other Comprehensive Income	0	0
Total Comprehensive Income	16,393	18,382
Balance at the end of period	1,845,705	2,010,595

Statement of Cash flows

\$'000s	Adopted Budget	Q1
Cash Flows from Operating Activities		
<u>Receipts</u>		
Operating Receipts	232,801	254,466
<u>Payments</u>		
Operating Payments to Suppliers and Employees	(170,091)	(175,134)
Net Cash provided by (or used in) Operating Activities	62,710	79,332
Cash Flows from Investing Activities		
<u>Receipts</u>		
Amounts Received Specifically for New/Upgraded Assets	6,026	4,556
Proceeds from Surplus Assets	18,500	18,500
Sale of Replaced Assets	500	500
<u>Payments</u>		
Expenditure on Renewal/Replacement of Assets	(56,022)	(56,022)
Expenditure on New/Upgraded Assets	(56,489)	(66,567)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(87,805)	(99,353)
Cash Flows from Financing Activities		
<u>Receipts</u>		
Proceeds from Borrowings	30,084	23,733
<u>Payments</u>		
Repayment from Borrowings	0	0
Repayment of Lease Liabilities	(4,989)	(4,989)
Net Cash provided by (or used in) Financing Activities	25,095	18,744
Net Increase (Decrease) in Cash Held	0	(1,277)
plus: Cash and Cash Equivalents at beginning of period	800	2,077
Cash & Cash Equivalents at end of period	800	800

Uniform Presentation of Finances

\$'000s	Adopted Budget	Q1
<u>Income</u>		
Rates Revenue	144,908	144,908
Statutory Charges	16,893	16,893
User Charges	67,399	67,567
Grants, Subsidies and Contributions	4,842	5,057
Investment Income	166	166
Reimbursements	150	150
Other Income	866	967
TOTAL INCOME	235,225	235,708
<u>Expenses</u>		
Employee Costs	86,220	86,489
Materials, Contracts and Other Expenses	81,973	82,187
Depreciation, Amortisation and Impairment	56,857	56,857
Finance Costs	808	808
TOTAL EXPENSES	225,858	226,341
Operating Surplus / (Deficit) before Capital Amounts	9,367	9,367
<u>Net Outlays on Existing Assets</u>		
Capital Expenditure on Renewal and Replacement of Existing	(56,022)	(56,022)
Finance lease payments for right of use assets on existing assets	0	(4,989)
add back Depreciation, Amortisation and Impairment	56,857	56,857
add back Proceeds from Sale of Replaced Assets	500	500
Net Outlays on Existing Assets	1,335	(3,654)
<u>Net Outlays on New and Upgraded Assets</u>		
Capital Expenditure on New and Upgraded Assets	(56,809)	(66,887)
add back Amounts received specifically for New and Upgraded Assets	6,026	4,556
add back Proceeds from Sale of Surplus Assets	18,500	18,500
New Outlays on New and Upgraded Assets	(32,283)	(43,831)
Net Lending / (Borrowing) for Financial Year	(21,581)	(38,118)

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Adelaide Central Market

Quarter 1 Report, 1 July 2024 – 30 September 2024



Executive Summary

Operational highlights for Q1 included events and activations such as the popular Bastille Day and sold-out school holiday program. The month of September focussed on sustainability with the promotion of various initiatives ACMA delivers, including the community partnership with Oz Harvest to rescue food and the recycling of the Market's organic waste to produce compost for the farming industry (99% of the organic waste is diverted from landfill).

The leasing campaign for the Market Expansion commenced with an Expression of Interest process with a robust number of applications received across most retail categories. Discussions with potential tenants will start in October and November.

Tenancy movement included one stall vacating at lease expiry (Standom Smallgoods), followed by fit out works to relocate and expand one stall (Fleurieu Milk) with a new tenant to be welcomed in October. Leasing revenue remains strong, with 100% rental occupancy.

The operating position is \$257K favourable to the YTD budget however this is mainly based on timing of expenditure.

The Market visitation in Q1 of the financial year is traditionally the slowest period of the year (winter) and the fire incident on 31/08 has had an impact on trade. However, traffic has climbed steadily since, boding well for a lift in numbers coming into the end of the calendar year.

Financial Report

\$'000	September YTD			Adopted Annual Budget	Revised Annual Budget
	Actual	Budget	Var		
Income	1,372	1,336	37	5,343	5,343
Expenditure	1,286	1,468	181	6,081	6,081
Net Operating Surplus / (Deficit)	86	(132)	218	(738)	(738)
Expansion Operational Preparedness	16	55	(39)	220	220
Total	70	(187)	257	(958)	(958)

Debtors Summary

Financial Year	Total Arrears	Current	%	30 Days	%	60 Days	%	90+ Days	%
2024/25	\$ 78,400	\$ 47,393	60%	\$ 19,638	25%	\$ 11,369	15%	\$ 0	0%

Debt is contained within 60 days and the percentage of rent paid in advance remains stable.

Leasing

Substantial progress since July, with:

Q1 - Total number of Market stalls is 72 – 100% Occupancy	
Renewals	7
Short term	1
Holdovers	2
Vacancies	0

Risks and Opportunities

- 19 leases will expire in FY24/25 leading to an increased risk in vacancies.
- The construction of Market Square, the decreased capacity in UPark Central Market, as well as economic conditions and cost of living pressures may impact on potential spend in Market.
- Access to the Market may be affected further by compounding pressures in the precinct, depending on timing but not limited to future renovations of Market Plaza entrances, Gouger St rejuvenation and road closures for major events.

Business Plan & Budget 2024/25 and Strategic Plan Measures

The 2024/25 ACMA Business Plan and Budget includes 93 priority actions across the five strategic pillars of the ACMA Strategic Plan 2023/28: Our Customers, Our Traders, Our Business, Our Community and Our Market.

Summary Actions	Delivered/ongoing	On Track	Off track
OUR CUSTOMERS	11	13	0
OUR TRADERS	10	4	0
OUR BUSINESS	24	7	0
OUR COMMUNITY	9	5	0
OUR MARKET	5	5	0
TOTAL	59	34	0

Q1 Highlights

OUR CUSTOMERS

We will keep customer experiences at the heart of all decisions, every day.

- Introduced visitation tracking to the Market Stall (Customer Service Desk): 2,507 products sold and 10,900 customers
- Trading Hours review: commenced process to align trading hours to customer preferences, including gathering and communicating research data to traders. Progressed trader consultation process (facilitated by external consultant 'Further Insights') as per the legal requirements of the Retail Leasing and Commercial Act, including 2 all trader forums. (Trader vote in October 2024)
- Delivery of in Market events and activations Bastille Day, school holiday program, Sustainable September, cooking demonstrations, free kids activities and live music
- 3 high profile National and international TV program filming and featuring the Market

OUR TRADERS

We will work with our traders to support them in the delivery of an exceptional shopping experience.

- Supported the Photo Co. Adelaide Camera Expo on Sunday 22 September (attended by approx. 550 people)
- Trading Hours review progressed with extensive Trader consultation including all-trader forums, surveys and 1:1 interviews
- Successful pop-up with traditional style Dutch offering in central aisle
- Big clean for Market including all trader facades
- First 'Trader Award for Innovation' delivered

OUR BUSINESS

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

- New property management software - implementation and training
- Appointment of new Administration Coordinator, Tiera Lippiello (existing FTE)
- Live Shooter and Emergency evacuation training for ACMA staff (delivered by CoA, 14/8)

- Tourism Industry Council South Australia awards submission: ACMA named finalist in Cat 8: Retail, Hire and Services

OUR COMMUNITY

We will take a responsible and sustainable approach to our business in pursuing positive long-term financial results.

- Cultural celebrations – NAIDOC Week and Bastille Day
- Partnership showcase with Oz Harvest with in Market photography and video
- Sustainable September promotion: organic waste management to produce compost for the farming industry
- Single use Plastic Ban implementation plus In-Market bins re-skinned to align with ban

OUR MARKET

We will deliver infrastructure and programs that address the current and emerging needs for our customers and traders.

- Pest control new contract
- Replacement of glass canopies at 4x entry points
- Renewal of entry lighting
- Renewal of Asphalt (western roadway)
- Market Expansion:
 - Leasing Strategy and Leasing Campaign strategy completed
 - Leasing EOI process in July and August with Exclusive access to EOI for existing traders
 - Review of Property staff resourcing

Upcoming quarter priorities: 1 October 2024 – 30 December 2024

- Board: 2 external Board Members to be recruited in October/November + Council Member representative to be appointed in December
- Marketing and events delivery:
 - School Holidays program
 - Deliver Seafood + Sound event activation on 25 and 26 October
 - Deliver Christmas program (marketing and operational)
 - Ongoing program of live music and free kids activities
- Trading Hours review: trader vote following consultation to amend weekdays trading hours
- Market Expansion:
 - Leasing conversations with potential tenants
 - Operational Readiness project – research phase to inform budget preparation
 - Fit Out guidelines to be completed
 - Recruitment Senior Property Officer

Adelaide Economic Development Agency

Quarter 1 Report

1 July 2024 – 30 September 2024

Executive Summary

Between 1 July 2024 and 30 September 2024, AEDA:

- Engaged with over 40 businesses as investment leads that have the potential to bring in over 1500 jobs.
- Profiled over 115 city businesses and generated almost 2,500 leads for city operators through the See for Yourself campaign.
- Developed and launched the Chihuly City Trail, that leverages off the exhibition with 15 participating retailers taking part in the Trail
- Supported three events through the Event and Festival Sponsorship program which were delivered in the quarter with a combined anticipated attendance of 1.7million and an estimated gross economic impact of \$67.7 million. Supported four events through the Commercial Events Sponsorship Program which were delivered in the quarter with a combined anticipated attendance of 12,770 and an estimated gross attendee expenditure of \$2.5 million.
- Delivered Friday Night Winter Activations in the Mall, driving foot traffic and spend through pop-up dessert bars and live music.

Financial Report

Operating Position		September YTD		Annual		
\$000s	2024/25 Actuals	2024/25 Adopted Budget	Variance	2024/25 Adopted Budget	2024/25 Revised Budget	Variance
Income						
Rundle Mall Levy	1,015	1,012	3	4,017	4,017	0
Rundle Mall User charges	134	95	39	380	380	0
CoA Appropriation of Funds	1,962	2,494	-532	8,392	8,677	-285
Other Income	2	5	-3	19	19	0
Total Income	3,113	3,606	-493	12,809	13,094	-285
Expenses						
Employee Costs	953	1,101	148	4,843	4,828	15
Materials, Contracts and Other Expenses	1,288	607	(681)	4,628	4,628	0
Sponsorship, Contributions and Donations	822	1,122	300	3,249	3,549	-300
Depreciation, Amortisation and Impairment	22	22	0	88	88	0
Total Expenses	3,086	2,852	-233	13,112	13,094	-285
Operating Surplus / Deficit	28	754	-726	0	0	0

Year to Date (YTD) Financial Summary

Income

- Rundle Mall Levy income has been spread evenly across the year; the financial table now recognises Year to Date (YTD) income. The Levy income is slightly favourable to the YTD budget.
- Rundle Mall user charges income 41% favourable to YTD budget.
- CoA Appropriation of funds represents the YTD AEDA expenditure (excluding Rundle Mall activities)
- Other income includes retail sales from the Visitor Information Centre.

Expenditure

- Materials, Contracts and Other Expenses has an unfavourable variance of \$681k, mainly due to timing related to advertising
- Sponsorship, Contributions and Donations has a favourable variance of \$300k, due to timing related to Event and Festival Sponsorship payments

Projected Annual Financial Summary

Proposed Quarter 1 Variances and Budget Requests

- \$300k approved for the Commercial Events Fund (Strategic Project)
- \$15k minor changes for employee costs

Risks and Opportunities

- Opportunity to capitalise on recent increase in investment/relocation inquiries being worked with

NB: AEDA's strategic risks are included within the City of Adelaide's Strategic Risk Register, which is reported through the Strategic Risk and Internal Audit Group that then reports into the Audit and Risk Committee

Board and Advisory Committee Term Changes

On 13 August 2024 Council considered a recommendation to re-appointment Matthew Poblocki for a term of 3 years, from the AEDA Board Selection Panel that comprised of the Councillor Couros, Councillor Giles, City of Adelaide's Chief Executive Officer, Chief Operating Officer, and AEDA Chair. Council endorsed the recommendation and Matthew Poblocki was reappointed to the AEDA Board from 14 August 2024 until 30 June 2027.

Grant Funding Approved

The following Precinct Groups have received the Mainstreet Development Program grant upon submission of their activity plans:

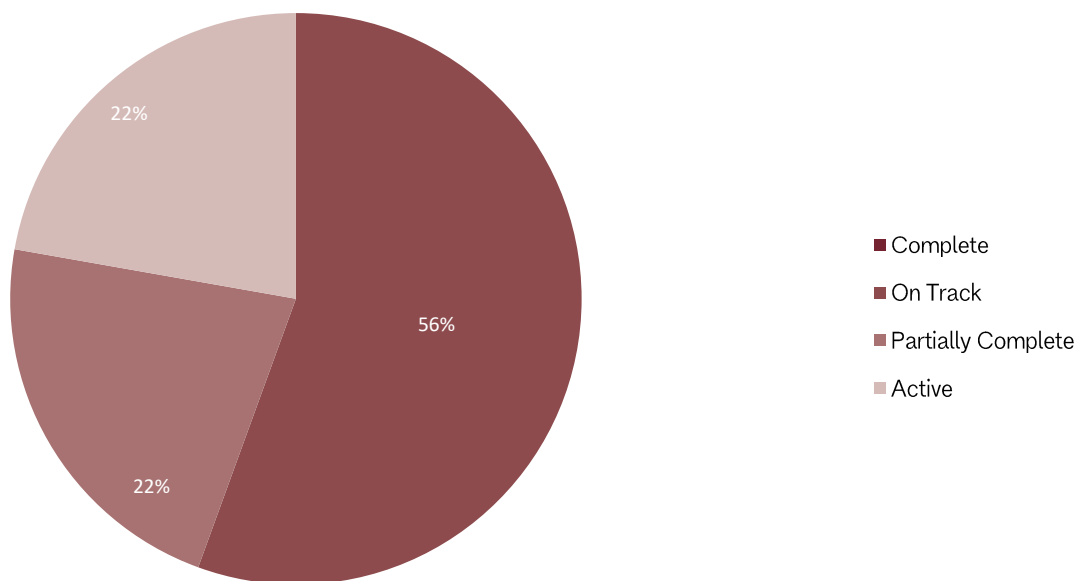
Organisation	Funding
Adelaide West End Association	\$25,000
East End Coordination Group	\$25,000
Gouger Street Traders Association	\$25,000
Grote Business Precinct	\$25,000
North Adelaide Precinct Association	\$25,000
City South Association	\$25,000

Business Plan & Budget and Strategic Plan Measures

The 2024/25 AEDA Business Plan and Budget includes 18 measures across the four key areas, Business, Investment & Residential Growth; Visitor Economy; Rundle Mall and Brand and Marketing.

As at the end of the quarter one progress against the measures are as follows:

- No measures have been marked 'Complete' which would indicate they have been finalised or the annual target met;
- 10 measures are 'On Track', meaning the pro-rata measure is tracking ahead or in-line with the target;
- 4 measures are 'Partially complete', which indicates some progress has been made towards the target, but are not tracking ahead of the pro-rata benchmark and;
- 4 measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded.



Business, Investment and Residential Growth

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
50 inward investment proposals/local expansions supported with at least 1,500 jobs	On Track	50	41	+28.5
Increase of bookable tourism experiences in the city (delivery of Strategic Project)	Active	-	-	-
30+ vacant shopfronts/premises activated	Partially Complete	30	4	-3.5
Deliver 3 industry briefing events	On Track	3	1	-
Outcomes from collaborative partnerships with MTPConnect; SouthStart and University of Adelaide/ Thinklab to support small businesses to grow and scale	On Track	-	-	-
5 projects/market interventions to support emerging industries in the city	On Track	5	3	+1.75
Supported/ facilitated 6 networking/knowledge transfer events for businesses.	On Track	6	3	+1.5

Rundle Mall

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
Demonstrate uplift in market share and foot traffic across 3 core campaigns	Partially Complete	3	0	-0.75
5 new brands commit to Rundle Mall	On Track	5	1	-
2 public realm infrastructure projects completed	On Track	2	-	-
A minimum of \$20M new cap investment delivered or committed in the Rundle Mall precinct	On Track	\$20m	\$7.54m	+\$2.54m
10 Business or industry media stories relating to Rundle Mall	Partially Complete	10	1	-1.5
Uplift in Rundle Mall small business sentiment index over FY24/25	Active	-	-	-

Visitor Economy

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
Delivery of the new Experience Adelaide Visitor Centre	Active	-	-	-
20 new bookable city tourism products/experiences	Partially Complete	20	0	5
Visitor & community sentiment index (being developed)	Active	-	-	-

Brand & Marketing

Key Performance Indicator	Status	Annual Measure	Actual	Pro Rata Difference*
10% increase to \$2.2m on 2023/24 in media mentions (advertising space rate) with reference to AEDA. – Maintain a variance of 85% – 95% neutral and/or positive sentiment of media mentions.	On Track	\$2,420m	\$925,382	+\$569,236
Increase the brand health metric for Adelaide as a destination to visit to 6.5/10. (Currently 6.35)	On Track	6.5	-	-

*Difference relates to the difference between the measure and the quarter 1 pro-rata benchmark, not the full KPI.

Key Achievements



See for Yourself Campaign

The 'See for Yourself' campaign targeted at 22–49 year olds across Adelaide, challenged perceptions that the city is 'bland, boring and sleepy', particularly in winter. The campaign was in market from June to July to coincide with traditionally quieter period for city visitation and targets an audience that research shows has the desire and disposable income to enable them to experience the city. The campaign profiled over 115 business and generated 11,900+ visits to the SeeADL.com.au landing page, converting to 2,465 leads for city operators. The paid advertising resulted in a reach of 4.7m impressions (how many times an ad is viewed by users).

Communications tracking via the SA Tourism Commission (SATC) indicated respondents who had seen the campaign assets considered them to be distinctive (58% compared to 46% average) and appealing (48% compared to 44% average), exceeding the average* on these metrics.

Qualitative information indicating how ads made respondents feel included: Excitement and pride in Adelaide, makes them happy to show people that Adelaide isn't boring, proud, made them excited to see what is happening in the city and drove motivation to experience more in Adelaide.

**Average refers to the SATC benchmark, based on a database of SATC ads tested since 2015*



Chihuly City Trail

AEDA and the Botanic Gardens State Herbarium are working together to leverage the profile of Chihuly in the Botanic Garden. The partnership enhances promotion of the event in the City and includes City Flag and Banner hire, printing and installation costs, support for a city business activation (Adelaide Celebrates Glass City Trail); and promotion of the exhibition and Trail across AEDA and Experience Adelaide digital channels and City of Adelaide digital screen network.

The Adelaide Celebrates Glass City Trail has been developed to enable businesses across the city and North Adelaide to leverage the exhibition and take advantage of the additional visitors to the city throughout the event period. The Trail encourages visitors to extend their stay in the city by promoting various Chihuly-inspired offers from 15 participating retailers including workshops and exhibitions, exclusive food and drink offerings and opportunities to purchase glass artworks.

The Trail will be promoted over the next seven months via Experience Adelaide and Botanic Garden's social media channels and EDMs, AEDA's Linked In and City Business; and each retailer is provided with in-store collateral and digital assets to promote their involvement. Businesses can still apply to be a part of the Trail – the Expression of Interest form will remain open until 14 March 2025.

Two art boxes were installed in Rundle Mall to allow audiences to take a peep inside the crates and view some of the stunning glass installations that will be on display as part of Chihuly in the Botanic Garden.



Rundle Mall Activations

A range of activations have been delivered in the Rundle Mall precinct increasing vibrancy and driving foot traffic and spend, including:

Friday Night Winter Activations were delivered as part of a new winter marketing campaign designed to keep Rundle Mall at the forefront of visitors minds during winter. It included a month-long residency of Shibui and series of Friday night activations including DJ's acoustic music performances and food offerings.

NAIDOC In the Mall was held on 9 July in the Gawler Place Canopy and featured a Kaurna Welcome to Country and Smoking Ceremony, followed by the unveiling of artwork by Aboriginal artists Mali Isabel and Drew Kilner. Attendees enjoyed live entertainment, native food and face painting.

Another three **Gathered Markets in the Mall** took place in the quarter on 14 July, 24 August and 8 September.

Netball Australia activated the Mall providing fans the opportunity to test their shooting or passing skills, get a photo with the Grand Final Trophy and win a double pass to the sold out Grand Final.

A **Welcome Home to Olympic Athletes** was held on 15 September to honour the achievements of the SA Athletes who represented Australia in the Olympics and provided fans the opportunity to meet them and hear their stories.

Fruchoc Appreciation Day held on 27 September in Rundle Mall was a day where South Australians could gather together to celebrate the apricot and chocolate icon. Free activities included face painters, music, photobooth, games and giveaways.



Sponsored Events and Festivals

In quarter one, the following events took place that were sponsored by the **Events and Festival Sponsorship Program**:

- SALA Festival
- Adelaide Guitar Festival
- Chihuhly in Botanic Gardens

Through the Events and Festivals Sponsorship Program a total of \$185,000 was invested into the events/festivals in quarter one with an estimated gross economic impact of \$67.7 million and an estimated total attendance of 1.7 million.

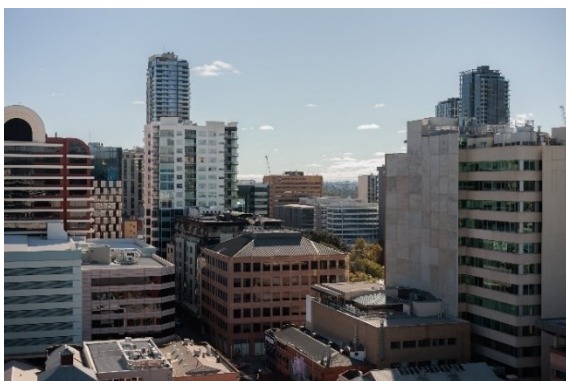
**please note that 2 of the events/festivals continue into other quarters. **estimated figures are derived from initial applications.*

In the quarter the following events that were supported by the **Commercial Events and Festivals Sponsorship Program** took place:

- Bastille Festival
- Hongdae in Adelaide
- Crown and Anchor's 171st Birthday
- Empyre Fire Festival

Through the Commercial Events and Festivals Sponsorship Program a total of \$64,500 was invested into eleven events/festivals in quarter one with an estimated gross attendee expenditure of \$2.5 million and an estimated total attendance of 12,770.

**estimated figures are derived from initial applications with the exception of two events who have completed their acquittal report.*



Investment Attraction

Over the quarter, 41 businesses were engaged as investment leads, representing a potential 1,618 jobs. Many of these leads are still in the qualification stage to determine their full job creation potential.

During this period, five business expansions or relocations were confirmed, resulting in 129 new jobs. Of these, four companies from the Information, Media, and Telecommunications sector, as well as the Financial and Insurance Services industry, participated in our Welcome to Adelaide Program.

These relocations into the City of Adelaide contributed 95 new jobs.

AEDA Reviews Implementation

Since Council's adoption of the AEDA Review Implementation Plan on 24 October 2023, which detailed how the 36 actionable recommendations from the Deloitte and KPMG reviews of AEDA would be addressed, 28 actions have been completed, including three this quarter.

The three actions completed this quarter were:

- Develop an overarching City of Adelaide Economic Development Strategy
- Develop further CoA strategies to indirectly drive economic growth
- Clearly define risk and mitigation strategies required by the Audit and Risk Committee
- The remaining 8 actions have been significantly progressed and are expected to be completed by the end of 2024.



Data4Lunch – City Economy Fact vs Fiction

The sixth Data4Lunch was held on 21 August and included a presentation from Economy.id and AEDA's Economic Research Advisor that analysed the city's economic conditions and provided insights to how Adelaide's economy compares to other capital cities across Australia.

- Over 180 industry professionals attended
- Significant growth in digital engagement: a 360% increase in pageviews, 309% rise in user engagement, and overall blog improvements (+42% in pageviews, +73% in users, and +47% in user engagement)
- Extensive media coverage: 2 radio interviews, an article in *The Advertiser*, \$30,000 in media value, reaching 72,810 people, positive sentiment overall, plus a LinkedIn post and a blog featured on AEDA's website.

AEDA Strategic Plan

The AEDA 2024/25 – 2028/29 Strategic Plan has been progressed through extensive consultation and in line with Councils Strategic Plan and Economic Development Strategy.

The Plan will be considered by the Board for formal endorsement in quarter two.

Up Next

Coming up from 1 October 2024 to 31 December 2024

- Business & Investment team presenting at the 2024 MBEN Conference (Multicultural Business & Entrepreneur Network) on 8 October
- Adelaide Fashion Week commences 11 October
- First intake for the Games Plus Scholarship Program 2024-25
- Strategic Partnership Program – City Building Stream will go out to market in October
- Rundle Mall City Sessions commence in October, hosting a series of live music performances in the Mall
- The See for Yourself campaign has been extended into October, November and December
- Christmas in Rundle Mall including the return of the Pageant to the Mall
- South Australia's Biggest Black Friday Weekend started 29 November
- Finalisation of the AEDA Strategic Plan
- AEDA 2024 Annual General Meeting – 25 October

Kadaltilla

Adelaide Park Lands Authority

Quarterly Update
July to September 2024

Kadaltilla
Adelaide Park Lands Authority



Key Highlights July to September 2024

- Endorsement of [Kadaltilla's 2023/2024 Annual Report](#)
- Finalisation of [Kadaltilla's Strategic Plan Annual Review of Progress 2023/2024](#)
- Launch of Kadaltilla's [LinkedIn](#) and [Facebook](#) social media pages
- Conclusion of the 8-week [public consultation](#) on the draft *Adelaide Park Lands Management Strategy – Towards 2036 (APLMS)*
 - Undertook a Key Stakeholder Event at Immersive Light and Art (ILA)
 - Held a public hearing
- Finalisation of the APLMS Consultation Engagement Report
- Delivered a Park Lands Site Tour with Board Members
- Held two (out of four) annual [Community Forums](#)



Core Responsibilities

PURPOSE FOR WHICH THE AUTHORITY IS ESTABLISHED

The Council and the State Government of South Australia are committed to protecting and enhancing the Adelaide Park Lands for the benefit of all South Australians.

The Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that Kadaltilla delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

In this context, Kadaltilla is established by Statute to undertake in accordance with the powers conferred by the APLA Charter, the Functions of Kadaltilla as set out in section 9 of the *Adelaide Park Lands Act 2005*.



Strategic Pillars



PURPOSE

- To be the trusted voice on the Adelaide Park Lands which actively conserves, promotes, and enhances the environmental, economic, cultural, recreational, and social importance value of the Adelaide Park Lands

Strategic Plan 2023-2028

Key Actions July to September 2024

Cultural Value

1.1 Seek Kaurna cultural authority in everything we do

- ✓ Consulted with KYAC and the City of Adelaide's Reconciliation Committee on the draft APLMS

1.4 Champion the development of World Heritage listing nomination

- ✓ Reviewed World Heritage listing submission progress

Environmental Performance

2.1 Define, protect, and enhance landscape values and design qualities

- ✓ Reviewed landscape values in the draft APLMS

2.2 Promote ecologically sustainable initiatives and monitor tree canopy cover, biodiversity, and environmental sustainability and design quality

- ✓ Received demonstration of the Adelaide Park Lands Biodiversity Digital Reporting Framework

2.5 Increase the accessibility of evidence-based information

- ✓ Held two Community Forums

Management and Protection

3.1 Monitor delivery of priority projects in the Adelaide Park Lands Management Strategy

- ✓ Draft APLMS Consultation Engagement Report supported
- ✓ Key Stakeholder Event held at ILA



Strategic Plan 2023-2028

Key Actions July to September 2024

Expert Advice

4.1 Provide advice on plans, projects, and policies for the Adelaide Park Lands

- ✓ Advice of Kadaltilla is endorsed and adopted

4.2 Engage with City of Adelaide and State Government including input into State Government initiatives

- ✓ Jointly hosted a Key Stakeholder Event on the draft APLMS

4.3 Review leasing and licensing and event management policies together with other relevant Park Lands use policies

- ✓ Provided feedback on the Draft Adelaide Park Lands Community Buildings (Sport and Recreation) Policy
- ✓ Reviewed lease licensing agreements for Parks 17 and 20

4.4 Strengthen Kadaltilla's engagement with City of Adelaide, State Government, and adjoining Councils

- ✓ The City of Adelaide, State Government, and adjoining Councils actively engaged with Kadaltilla

4.5 Increase the profile of the Kadaltilla Board

- ✓ Pop-up APLMS session with Kadaltilla Board Members held in Rundle Mall on 26 June 2024



Kadaltilla Advice to Council

July to September 2024

- Endorsed proceeding with the Glen Osmond Road, Hutt Road and Carriageway Park / Tuthangga (Park 17) improvements concept plan
- Provided feedback on the Draft Adelaide Park Lands Community Buildings (Sport and Recreation) Policy for inclusion in a Board submission during the public consultation period
- Endorsed Council to enter into five-year Park Lands Lease Agreement negotiations for the sports buildings, playing fields and courts located in Parks 17 and 20
- Noted the progress updates provided for the financial year 2023/24 of the Kadaltilla 2023-2028 Strategic Plan
- Approved the theme and locations for the 2024 Annual Community Forum



Kadaltilla Advice to Council

July to September 2024

- Reviewed and supported the draft *Adelaide Park Lands Management Strategy - Towards 2036* Consultation Engagement Report
- Provided feedback on the draft Festival Plaza Code Amendment for inclusion in a Board submission
- Received a demonstration of the Adelaide Park Lands Biodiversity Digital Reporting Framework
- Adopted the Annual Report for the 2023/24 financial year
- Received an update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes



2024/2025 Business Plan & Budget

July to September 2024

Performance Measures Addressed:

- ✓ Support for the development of a World Heritage listing nomination
- ✓ Kaurna culture is made intrinsic to everything we do
- ✓ A review of the Adelaide Park Lands Management Strategy is conducted which will include prioritisation of projects
- ✓ Kadaltilla is insured according to the requirements of the Local Government Mutual Liability Scheme
- ✓ Provided advice on plans, projects and policies for the Adelaide Park Lands
- ✓ A high level of knowledge and understanding of the Park Lands is developed amongst Members through regular site visits and briefings
- ✓ Utilisation of skills is maximised through effective meetings that foster dialogue and the development of shared thinking
- ✓ Annual Business Plan and Budget is in place for Kadaltilla
- ✓ Created and maintained a social media profile detailing the business of Kadaltilla



2024/2025 Business Plan & Budget

July to September 2024

Performance Measures Addressed:

- ✓ The Adelaide Park Lands Fund is operational and monies are received and expended according to the provisions of Kadaltilla's Charter
- ✓ Advice of Kadaltilla is endorsed and adopted
- ✓ Kadaltilla makes appropriate use of available finances provided by Council
- ✓ Provide advice in relation to tree canopy cover, biodiversity and environmental sustainability and improvements
- ✓ Review leasing and licensing and event management policies together with other relevant Park Lands use policies
- ✓ Increase the accessibility of information
- ✓ Seek early input into issues relating to the Park Lands to ensure Kadaltilla advice is timely and relevant
- ✓ Champion the development of World Heritage listing nomination
- ✓ Monitor developments subsequent to Kadaltilla's advice Kadaltilla's Annual Report is prepared detailing achievement of the aims and objectives of the APLMS, Strategic Plan, and Business Plan and Budget



Budget Position

July to September 2024

\$000's	YTD Actual	YTD Budget	Variance	Full Year Budget	Q1 Review	Variance
Grants, Subsidies and Contributions	0	0	0	328	328	0
Total Revenue	0	0	0	328	328	0
Employee Costs	35	42	7	175	175	0
Materials, Contracts and Other Expenses	34	40	6	138	138	0
Sponsorships, Contributions and Donations	15	0	(15)	15	15	0
Total Expenses	84	82	(2)	328	328	0
Operating Surplus / Deficit	(84)	(82)	(2)	0	0	0

- For 2024/2025, Kadaltilla's budget of \$328,475 includes:
 - Sitting Fees and Salary of \$247,405
 - Brand and Marketing of \$25,550
 - Insurance, Audit and Legal of \$21,520
 - Grants (Adelaide Park Lands Art Prize Sponsorship) of \$15,000
 - Operations (e.g. Marketing; community forum) of \$14,000
 - External Advice of \$5,000



Upcoming Quarter

Key Actions:

- Finalise the draft *Adelaide Park Lands Management Strategy – Towards 2036* for Kadaltilla, Council and State Government approval
- Undertake a Cultural Burn Park Lands Site Tour with Board Members
- Hold the remaining two annual Community Forums
- Finalise Kadaltilla's Greater Adelaide Regional Plan submission
- Finalise Kadaltilla's draft Festival Plaza Code Amendment submission
- Promote the Kadaltilla social media pages
- Review Kadaltilla's Park Lands Art Sponsorship



Upcoming Quarter

Forward Report Schedule:

- EXT REPORT - Expiry of Deed of Agreement - Royal Show Park Lands Parking
- REPORT - Draft Adelaide Park Lands Management Strategy - Towards 2036
- REPORT - Adelaide Archery Club – Park Lands Lease Agreement – Exemption to EOI process
- REPORT - Golden Wattle Park / Mirnu Wirra (Park 21W) Community Sports Building
- REPORT - Adelaide TreeClimb Landowner Consent
- REPORT - Kadaltilla's Draft Festival Plaza Code Amendment Submission
- REPORT - Kadaltilla's Greater Adelaide Regional Plan (the Plan) Submission
- REPORT - Kadaltilla Park Lands Art Sponsorship
- REPORT - Kadaltilla 2024 Community Forum Consultation Report
- REPORT - Kadaltilla / Park Lands Authority 2025 Meeting Dates
- REPORT - Update on the World Heritage Listing for the Adelaide Park Lands and Rural Settlement Landscapes



Thank You.



Brown Hill Keswick Creek Stormwater Project

Project Update September 2024

Welcome

Following another successful year, the Board's recent activities have focussed on audit of financial statements and preparation of the Annual Report for 2023/24. Looking forward, strategic management documents will be prepared in the coming months and construction contracts have recently been awarded for several new packages of work due for construction over the dry months of 2024/25.

In This Edition

- Financial Summary
- Maintenance and Operating Report
- Project Delivery



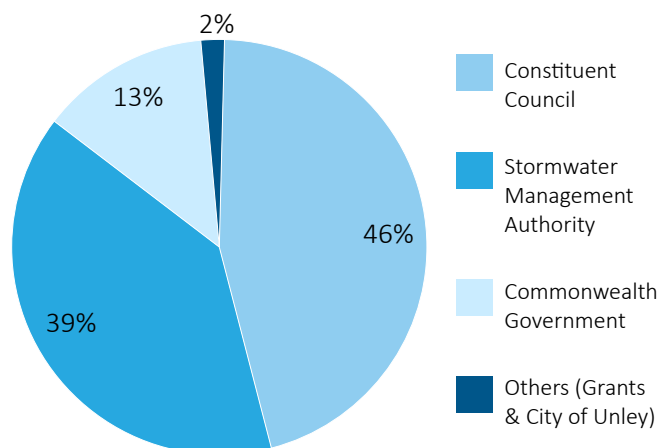
Financial Summary

Capital Funding Summary as at 31 August 2024

Capital funding provided to the project to 31 August 2024 includes:

- \$30.2m from the 5 Constituent Councils – the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.
- \$25.9m from the Stormwater Management Authority.
- \$8.8m from the Commonwealth Government, being portion of a total \$21.7m commitment provided under 3 grant programs.
- \$1.1m from other sources including Council contributions to projects within their area and smaller State Government grant programs.

Capital Funding Contributors



2024/25 Operating Summary as at 31 August 2024

	Actual YTD	Budget YTD	Variance \$
Income	\$497,033	\$440,593	\$56,440
Expenses	\$189,028	\$167,926	(\$21,102)
Net Surplus	\$308,005	\$272,667	\$35,338
Depreciation	\$28,087	\$40,000	\$11,913



The Board recently approved the Annual Report and Audited Financial Statements for 2023/24. Focus will now shift to preparation of strategic management documents for 2025/26, including Strategic Plan, Business Plan, Long-Term Financial Plan and Asset Management Plan.

The Board recently secured \$574k in grant funding under Round 2 of the Commonwealth Government's Disaster Ready Fund. These funds are committed to development of a whole of catchment flood model and to progressing designs for further capacity upgrades in Upper Brown Hill Creek.

Maintenance and Operating Report for Completed Works

Maintenance Responsibility for Completed Works

Stage	Sub-project	Responsibility for Maintenance ¹
Flood Detention	Ridge Park Flood Control Dam	City of Unley
	Glenside Flood Detention Basin	BHKCSB – stormwater infrastructure delivered under the plan. City of Burnside – all non-stormwater assets located on site.
	Pakapakanthi Wetland and Kurangga Creek Works	BHKCSB – stormwater infrastructure delivered under the plan. City of Adelaide – all existing and non-stormwater assets on site.
LBHC	LBHC – Daly Street Bridge	BHKCSB – stormwater infrastructure delivered under the plan. City of West Torrens – road components of the project.
UBHC	UBHC Area 1 Everard Park	BHKCSB – stormwater infrastructure delivered under the plan (culvert). City of Unley – ground level shared use path improvements.
	UBHC Diversion – DPTI Culvert	DPTI
	UBHC Hawthorn Reserve	BHKCSB – stormwater infrastructure delivered under the plan. City of Mitcham – all existing and non-stormwater assets on site

¹ Responsibility for clearing blockages within the creek is always the responsibility of the property owner.

2024/25 Maintenance & Operating Budget to 31 August 2024

	YTD Actual	YTD Budget	Variance \$
Glenside Detention Basin ¹	\$40,599	\$25,725	\$14,874
Pakapakanthi Wetland ²	\$24,673	\$26,250	(\$1,577)
Other Works ³	\$0	\$1,667	(\$1,667)
Total⁴	\$65,272	\$53,642	\$11,630

¹ First GPT clean for 2024/25 was undertaken 12th to 16th August.

² Wetland maintenance was undertaken by ecoDynamics on monthly basis for July and August and will continue under new maintenance contract commencing 1 September 2024.

³ Other works include any operating and maintenance requirements that don't relate to the wetland or Glenside site.

⁴ Total actual expense to 31 August 2024 is ahead of budget as the first Glenside GPT cleans were completed in August 2024.

The Stormwater Management Plan outlines a whole of catchment flood mitigation strategy that is being delivered in 4 key stages.

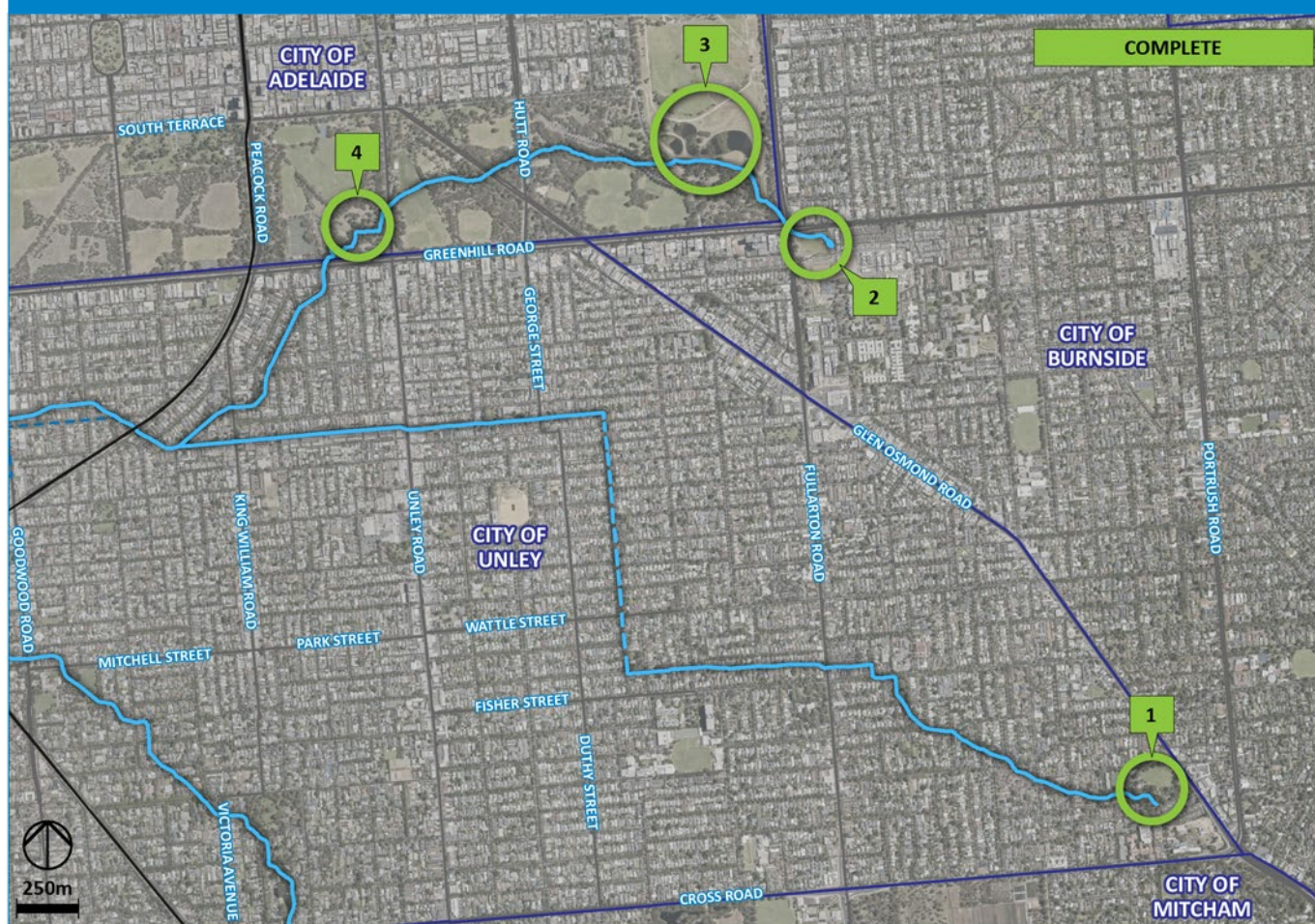
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Stage 1 - Flood Detention

Detention storages in the upper catchment that will reduce the downstream flow rates. All Stage 1 works are complete.

COMPLETE

Stage 1 Capital Works



- | | | | |
|---|------------------------------|---|---|
| 1 | Ridge Park Flood Control Dam | 3 | Pakapakanthi Wetland in Victoria Park (Park 16) |
| 2 | Glenside Detention Basin | 4 | Kurangga Creek Works in Blue Gum Park (Park 20) |

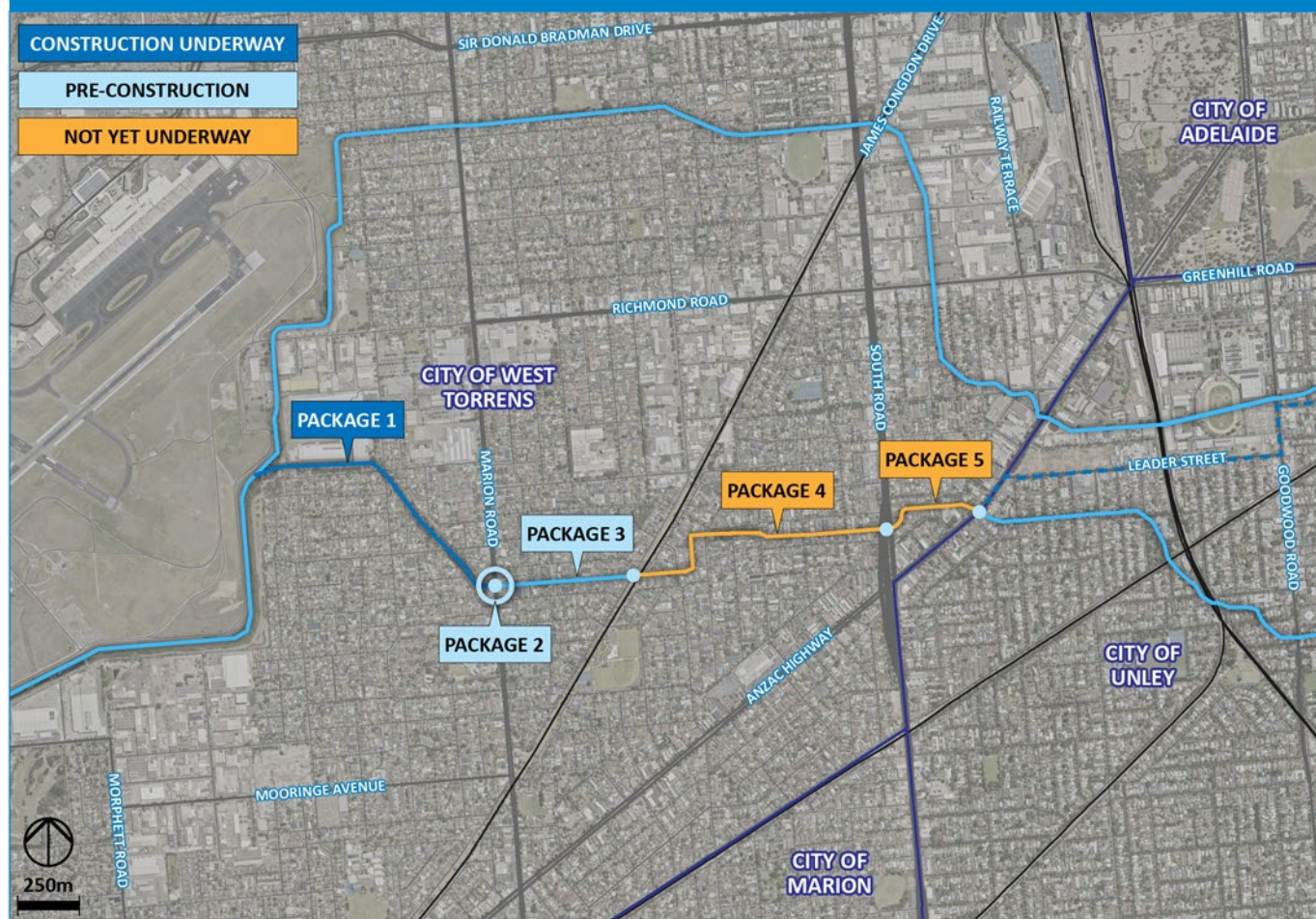
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Stage 2 - Lower Brown Hill Creek Upgrades

Upgrading the flow capacity of Lower Brown Hill Creek so that it can receive the diverted flows from Keswick Creek. The Upgrades are being delivered in 5 work packages with Packages 1-3 underway.

IN PROGRESS

Stage 2 Capital Works



WORK PACKAGES

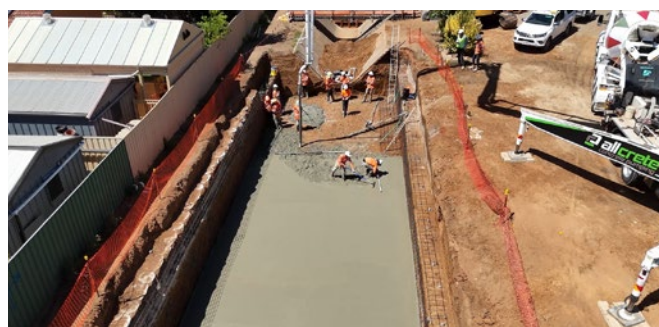
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|----------------------------------|-----------------------------------|-------------------------------|
| 1 Watson Avenue to Marion Road | 3 Marion Road to Birdwood Terrace | 5 South Road to Anzac Highway |
| 2 Marion Road Bridge Replacement | 4 Birdwood Terrace to South Road | |

Lower Brown Hill Creek Upgrades

Lower Brown Hill Creek comprises a 3.3 kilometre-long section of channel extending from the south-eastern corner of Adelaide Airport at the downstream end to a crossing point at Anzac Highway at the upstream end. The channel is primarily situated within City of West Torrens owned drainage corridor, except for a small portion that runs within privately owned land. The upgrades involve doubling the flow capacity through replacement of the existing open channel with a new 6-6.8 metre-wide by 1.8 metre-high rectangular shaped concrete channel, and equivalent sized road crossings.

The Lower Brown Hill Creek capacity upgrades are divided into 5 work packages and the Board secured \$10m in Commonwealth Government funding under the Preparing Australian Communities Program to contribute toward delivery of Packages 1-3 over 3 years. The Commonwealth funding is being matched by funding from Constituent Councils and the Stormwater Management Authority.

Packages 1-3 extend for 1.7 kilometres from Adelaide Airport at the downstream end to Birdwood Terrace at the upstream end. Construction of package 1 commenced late in 2022 and works to Harvey Avenue are now being completed. Construction tenders were recently awarded for delivery of the remainder of package 1, and the entirety of packages 2 and 3 in the dry months of 2024/25.



Channel construction through to completion

Packages 1-3 of the Lower Brown Hill Creek upgrades are being delivered with the support of funding from the Australian Government provided under the Preparing Australian Communities Program.

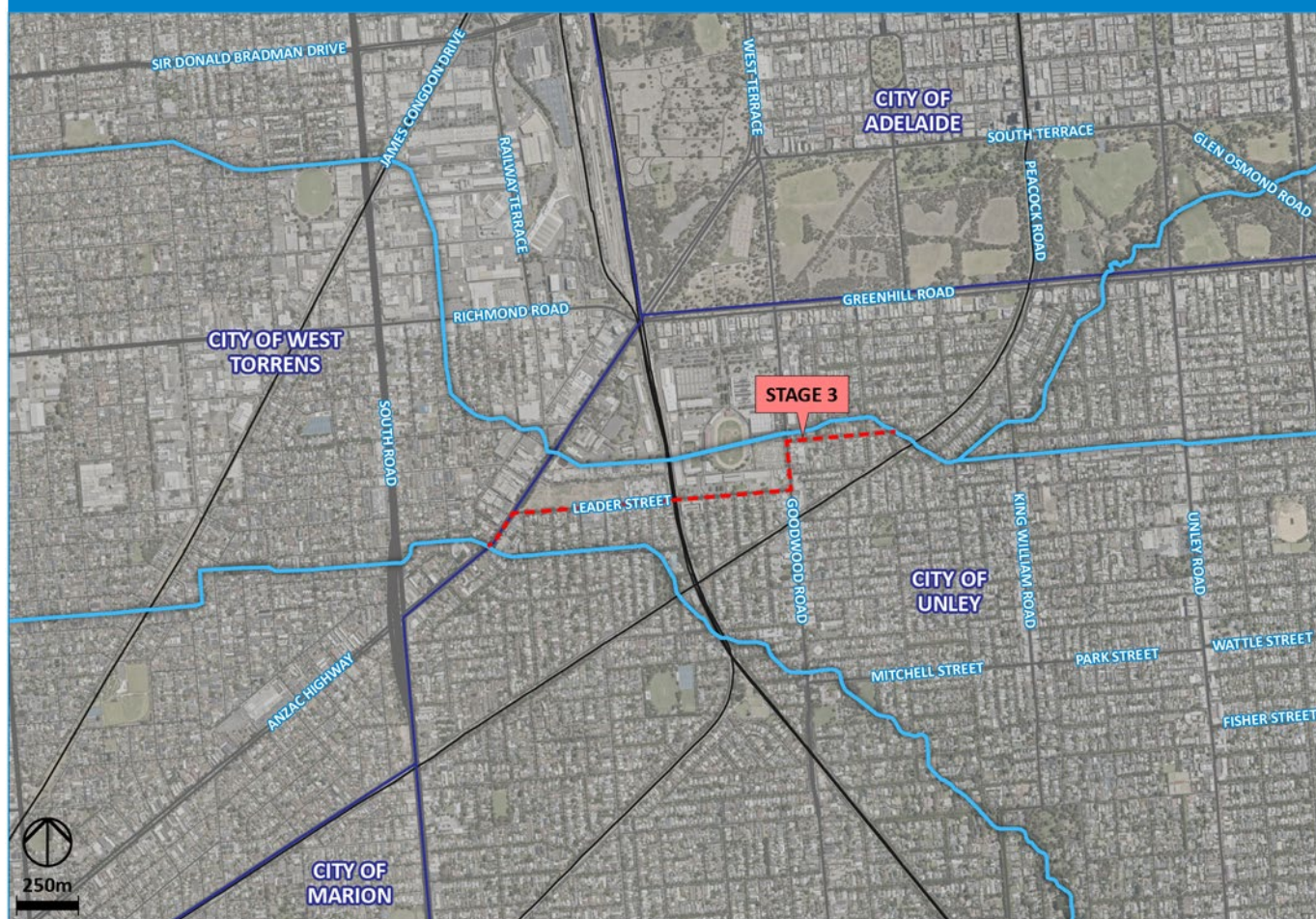
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Stage 3 - Keswick Creek Flow Diversions

The Keswick Creek Flow Diversions will divert flows from Keswick Creek to the upgraded Lower Brown Hill Creek before they can 'break-out' of the channel. These works are currently unfunded and on hold. Reference design plans for the Keswick Creek Flow Diversions are currently being progressed to detailed design stage and these works are ongoing, including consideration of an alternate alignment.

ON HOLD

Stage 3 Capital Works



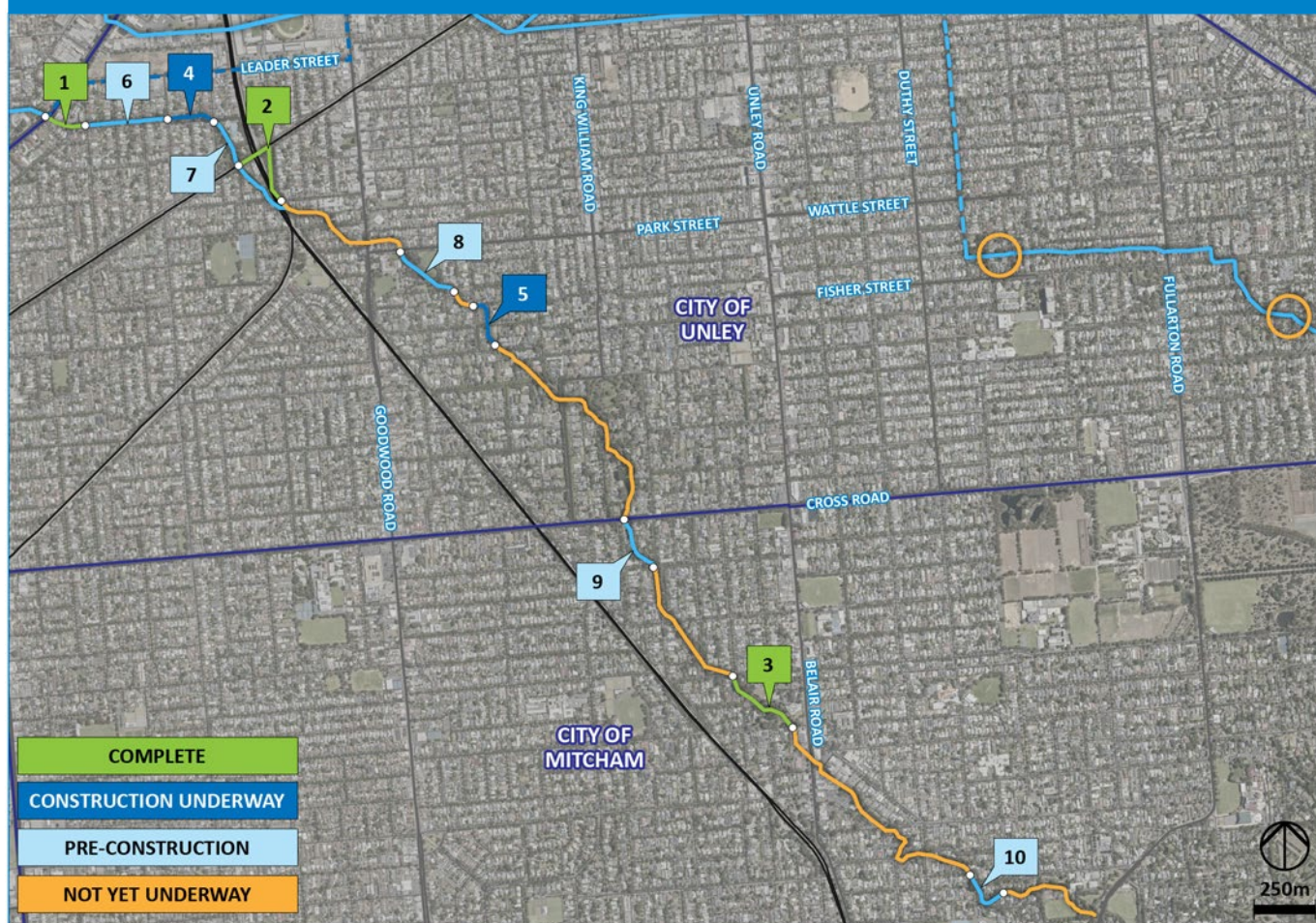
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Stage 4 - Upper Brown Hill and Glen Osmond Creek Upgrades

Upgrading the flow capacity of Upper Brown Hill Creek and Glen Osmond Creek to prevent 'break-outs' and flooding of private property. Key hot spots are being targeted to align with grant funding opportunities.

IN PROGRESS

Stage 4 Capital Works



- 1 Everard Park- Anzac Highway to Third Avenue
- 2 Diversion Culvert
- 3 Hawthorn Reserve
- 4 Forestville- Leah Street to Ethel Street
- 5 Millswood- Regent Street to Malcolm Street

- 6 Forestville- Third Avenue to Leah Street
- 7 Forestville Reserve
- 8 Orphanage Park
- 9 Hawthorn- Cross Road to Hampton Street
- 10 Betty Long Gardens

Forestville – Leah Street to Ethel Street

These upgrades involve raising the height of the existing channel walls by 600mm and remediating the floor and walls of the existing channel. This section of channel runs within Council drainage corridor for the majority of its length with a small portion intersecting privately owned land at the eastern Ethel Street end.

Works commenced in June 2024 and are due to be completed later in 2024.



Channel Construction



Channel Upgrade

Millswood – Regent Street to Malcolm Street

Works are underway to double the capacity of this section of Brown Hill Creek, from just downstream of Regent Street to Malcolm Street at the upstream end, including upgrade of the Regent Street culvert. The entirety of the creek in this location traverses through privately owned property and the project team have been engaging closely with property owners over the course of design development and during construction.

Delivering in a heavily constrained environment, the works have been designed in collaboration with property owners to meet the flow capacity requirements while being sympathetic to the natural environment and the individual and unique objectives of each owner.

Scheduled Upper Brown Hill Creek Upgrades

The Board has recently commenced the design process for several sections of Upper Brown Hill Creek that are scheduled for construction in the 2025/26 financial year. Site investigations will commence shortly to inform the design process and better understand current conditions. These works are located across the Cities of Unley and Mitcham within privately owned property and Council-owned reserves, as follows:

- Forestville – Third Avenue to Leah Street
- Forestville Reserve
- Orphanage Park
- Hawthorn – Cross Road to Hampton Street
- Betty Long Gardens

The scheduled Upper Brown Hill Creek upgrades are being delivered with the support of funding from the Australian Government provided under the Urban Rivers and Catchments Program and the Disaster Ready Fund.



Hawthorn Reserve

Internal Audit Progress Report

Friday, 8 November 2024

Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:

Kathryn Goldy, Acting Manager
Governance

Public

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee last received an Internal Audit Progress Report at its meeting in May 2024.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

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

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
 2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
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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 functions legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services 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 role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.
2. The Audit and Risk Committee (the Committee) receive all Internal Audit reports. The Committee reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor (currently KPMG), other external providers and in-house advice.

Internal Audit Plan Update

3. The Internal Audit Plan (the Plan) is a risk-based program developed with the Council's Executive and Strategic Risk and Internal Audit Group (SRIA). A status update on the 2023-24 plan is provided – [Link 1](#). A status update on the 2024-25 plan is provided – [Link 2](#).
4. Since the Committee met in May 2024, five internal audit reviews have been completed by KPMG and in-house:
 - 4.1. Contract Management
 - 4.2. Culture Survey Review
 - 4.3. Record Keeping
5. The following internal audits have been scoped:
 - 5.1. Fraud Prevention
 - 5.2. Archives
 - 5.3. TechOne Post Implementation Review
 - 5.4. EV Transition for Workshop Operations
6. Waste Management internal audit was scoped, however it was identified that due to the current feasibility study that the City Operations team is undertaking, it will be of value to postpone this audit for the 2025/2026 year. This internal audit has been replaced with the EV Transition for Workshop Operations internal audit.

Internal Audit Actions

7. Recommendations arising from the Internal Audit and Strategic Reviews are reported to SRIA.
8. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager.
9. The implementation status of recommendations is tracked and reported to the Committee.
10. All requests for an extension of a due date require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted. Since the last report to the Audit and Risk Committee on 15 May 2024, eleven actions have been approved for an extension.
11. Each **action and rationale for an extension is detailed below:**

Cab Charges, Ride Shares and Pool Cards		
Internal Audit ID	Recommendations	Agreed Action
I00729	Consider an annual or 4-year term, colour coding system for decals. Place an expiry date on the decal and allocate the decal to the vehicle that it will be assigned to.	Fleet Management Office sent an email out to all users who currently hold a CoA Decal on 24 May 2024. All users were requested to complete the 'Approved Parking Option Request' form by 30 June 2024 for the vehicle to be registered. Once the staff member completed the form, a new Decal will be issued to the staff member to use by the Fleet Management Office. The team is currently organising the decals. Extension to 30 September 2024.

Review of the Adelaide Economic Development Agency		
Internal Audit ID	Recommendations	Agreed Action
I00755	Develop the AEDA Strategic Plan	The development of the AEDA Strategic Plan was contingent upon the finalisation of the Economic Development Strategy (EDS). The EDS was workshopped with Council at the City Planning, Development & Business Affairs Committee on 6 August 2024, before being formally endorsed by Council on 10 September 2024. Work on the AEDA Strategic Plan has since been significantly progressed with the AEDA Board scheduled to review a draft of the Plan at their meeting on 19 September 2024. Pending the Board's feedback on the draft, a final copy of the AEDA Strategic Plan is scheduled for the Board's endorsement in October 2024 before being presented to Council for noting in November 2024. The due date for this action has therefore been extended to December 2024 Extension to 31 December 2024.
I00756	Better target strategic AEDA KPIs towards economic development outcomes	[As above] Extension to 31 December 2024.
I00757	1. Diversify economic development activation activities (beyond current retail focus) 2. Investigate additional investment opportunities (for funding from other bodies and government to deliver more, and more diverse, economic growth services)	[As above] Extension to 31 December 2024.
I00759	Conduct a review of current AEDA resourcing and requirements	[As above] Extension to 31 December 2024.
Community Safety		
Internal Audit ID	Recommendations	Agreed Action
I00795	Finalise the standard operating procedure and communicate this to the Community Safety team.	A CEO Briefing was presented on 25 June 2024 and a report to Council on 9 July 2024. A full review of the Standard Operating Procedures has commenced by an external legal provider to address further questions received from Council Members. Extension to 31 December 2024.
I00799	Confirm with SAHA that the data collection is required, and the information is relevant. Determine who is the best contact for external agencies and inform the relevant bodies and who will sit on external committees.	The responsibility for collecting homelessness data was transferred to the DHS over the last three months, so we are waiting for confirmation from DHS for a meeting to recommence discussions. Team Leader will review over the next month and document prior to signing off who the best key

		contact will be and who will sit on external committees. Extension to 31 December 2024.
PCI Compliance		
Internal Audit ID	Recommendations	Agreed Action
I00821	Include references to backup and recovery procedures in the incident response plan	A tender has been called for the imminent replacement of CIC. Until that has concluded there is no plan to progress this action. Extension to 31 March 2025.
Post Audit Implementation		
Internal Audit ID	Recommendations	Agreed Action
I00835	Project Management Review – If the business bid submission is approved, recruit for an in-house cost estimator	The business bid submission was not approved however able to resource this through other funds. The procurement process has commenced and require additional time to ensure that this is complete prior to closing off the action. Extension to 30 November 2024.
Local Government Security Framework		
Internal Audit ID	Recommendations	Agreed Action
I00841	Continue prioritising the project to develop a Security Framework. The Framework should consider and document: • The CoA's risk appetite; • Standard operating procedures for physical security and security risk management to govern security holistically. We encourage the CoA to realise its plan to incorporate physical security into its security governance model through the Strategic Risks and Opportunities Register to improve security culture. To ensure the CoA's security controls are effective, the CoA should address the poor security culture among mid-level management and general employees. For example, the CoA should consider:	As raised during discussions at the ARC meeting on 14 June 2024, Governance has taken on board the feedback to review the Register, update and take it back to SRIA for discussion. Extension to 31 October 2024.
Culture Survey Review		
Internal Audit ID	Recommendations	Agreed Action
I00874	1.Ensure clear reporting of organisational culture through targets and KPIs that are aligned to the CoA Strategic Plan and the CoA Workforce Strategy. KPIs of the CEO and leaders should also be linked to these organisational culture KPIs.	Strategy to be finalised following the pilot of workforce planning and results of Culture Survey. Extension to 31 December 2024.

	2.Tie culture improvement action plans to leadership performance reviews. 3.Invest in leadership capability uplift to improve understanding of what culture is and the role leaders play in influencing cultural improvement.	
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12. **58 internal audit recommendations from previous Audits have been completed since May 2024.** 78 recommendations are in progress. The completed recommendations are:

Legislative Compliance		
Internal Audit ID	Recommendations	Outcomes
I00425	<i>Local Government Act 1999 (SA)</i> – Power to assign a name, or change the name, of a road or public space s219(7). The policy will be reviewed and updated during the 2019/20 financial year.	After further discussions with Council Members, the Road Naming Policy was reviewed, updated and endorsed by Council at its meeting on Tuesday 24 September 2024.
Park Lands Expenditure		
Internal Audit ID	Recommendations	Outcomes
I00519	A review of time management processes to be undertaken to identify methods to improve accuracy in allocating time to performing tasks associated with the Park Lands. Community engagement methods should be considered to review current level of services performed in comparison to community needs. A review be undertaken as to the reporting associated with maintenance activities on assets and the recipients of this information.	One component of the interface between TechOne and Assetic was implemented to improve accuracy in allocating time. The Park Lands and Open Space Asset Management Plan was adopted by Council on 25 June 2024. This has included maintenance unit rates for different types of maintenance activities. Assetic is currently being used to record maintenance activities.
CoA 2021 Risk Evaluation Report		
Internal Audit ID	Recommendation	Outcome
I00617	Review and update the Urban Elements Asset Management Plan	The Urban Elements Asset Management Plan was adopted by Council on 23 April 2024.
Management of Procurement Practices		
Internal Audit ID	Recommendations	Outcome
I00638	Develop KPIs against the procurement principles and where possible use the PCMS to track and report performance.	Procurement principles data are not captured in PCMS. This is managed outside of PCMS.
I00639	Develop KPIs to measure the performance of the procurement team and then where possible use the PCMS to track and report performance.	Readytech provided a quote 25 Sept 2024 for this KPI custom report development. CoA management decided not to progress with this as in-built reporting provides some performance metrics.

I00647	Digitalisation of the procurement plan into PCMS which maintains current approval authorities via assigned workflows	Out of scope of the PCMS upgrade. To be reviewed as part of the policy and guideline review process.
I00652	Undertake a standalone project to optimise the configuration and use of PCMS across the entire organisation.	Upgraded PCMS is highly configurable and can be utilised by different user groups.
Essential 8 Maturity Assessment		
Internal Audit ID	Recommendations	Outcomes
I00667	Review the use of Microsoft SQL Server 2008 with the ICT environment, and if possible, remove or upgrade it to the latest version	This server is the Building Management System (BMS) for CoA buildings, which controls air conditioning and related equipment. The review has been completed, and a project has been implemented, and it is scheduled to be completed in 2024/25FY.
I00671	Review the use of Windows Server 2003 and 2012 R2 within the ICT environment, and if possible, upgrade or remove them.	The review has been completed and the older server versions will be decommissioned during the second half of 2024 as currently inflight projects are completed.
Asset Inspection		
Internal Audit ID	Recommendations	Outcome
I00681	Implement an asset class inspection policy or procedure to provide a clearer understanding of documentation requirements, inspection information and inspection officer responsibilities	Full systems review and associated quality documentation development that support the development of Service Standards across all assets under the care and control of Council has been created.
I00682	Consider implementing work order procedures through Assetic for all asset classes, including Stormwater, to ensure inspections and maintenance data is readily available.	A full project structure has been developed and is being implemented across all Asset Classes that are under the care and control of Council. This includes a Steering Committee with representatives from across the business units and Project Groups which includes a review of the reporting structure in Assetic
I00683	Invest in system opportunities to implement asset management capabilities that support effective record keeping for asset inspections.	Council has invested heavily in the purchase and roll out of systems that are intended to support effective record keeping for asset inspections. These are Assetic, AM3 and recently Forestree.
I00684	Develop preventative maintenance and defect prioritisation procedural guidelines aligned to better practice.	A full review and development of a suite of new Service Standards is underway. This is a large scale project and consists of a Steering Committee with representatives from business units across the organisations.
Workforce Planning & Staff Retention		
Internal Audit ID	Recommendation	Outcome
I00713	The CoA should consider the system challenges raised in PIO 1 as part of the solution considered from the current People system review.	The procured solution has the functionality to address the challenges identified, such as a more holistic recording of performance management activity, creation of talent pools and

		increased visibility of workflow approvals and actions.
I00651	For the PCMS to be truly effective, it needs to be used to manage all stages and as many aspects of the procurement cycle as possible,	Upgrade PCMS version enables user to perform Evaluation and Col inside the system. Also reporting tool is advanced in the upgraded system.
Review of Confidentiality Orders		
Internal Audit ID	Recommendation	Outcome
I00727	Continuous improvement and training	Annual training sessions have been implemented through the Learn & Perform System. The first four sessions of training were held in August 2024. This will be offered every year to staff.
Cab Charges, Ride Shares & Pool Cars		
Internal Audit ID	Recommendation	Outcome
I00729	Decals should be assigned by position, as per the UPark pass. Determine who is entitled and issue new decals with expiry dates. Create an online form to request a UPark pass or CoA decal to be approved and workflow to the relevant area to action the requirement	Positions have been identified and new decals have been created, printed and distributed. Online form has been created.
I00735	Over the next 12 months monitor the availability and utilisation of the pool cars that have had the GPS installed.	A greater fleet review is underway, which will incorporate the actions relating to pool vehicle utilisation monitoring and review. IVMS units still to be installed into pool vehicles. There are several internal prerequisites required for further IVMS rollout, such as conditions of use, Fleet Policy and the associated app (Geotab Drive).
Voters Roll Review		
Internal Audit ID	Recommendations	Outcomes
I00736	If an enrolment form is received on a vacant premise, Council will require a signed lease to substantiate occupation according to the Act. This to be included in the procedures.	Procedures have been developed by a consultant and reviewed by the business.
I00740	Council to develop a procedure that adequately captures the requirements under the Act.	As above.
I00742	In line with development of documented procedures, the CEO is only required to sign the Voters Roll during an election.	As above.
Review of the Adelaide Economic Development Agency		
Internal Audit ID	Recommendations	Outcomes
I00753	Develop an overarching CoA Economic Development Strategy.	The Council endorsed the Economic Development Strategy at its meeting on Tuesday 10 September 2024.

I00754	Review and enhance AEDA's capability to provide economic strategic insights in line with the creation of an economic development strategy.	CoA formalised a range of strategies to indirectly drive economic growth, such as the Housing Strategy. Also, the Council has endorsed the Economic Development Strategy; this action has been closed.
I00766	Clearly define risk and mitigation strategies required by the Audit and Risk Committee.	Chair of the ARC is satisfied the actions taken in relation to risk assurance have meet the requirements of the ARC.
I00776	Develop a brand guideline, in collaboration with the CoA	The draft Brand Architecture project was presented to the AEDA Board on 9 April 2024. The Board supported the proposed recommendations. Marketing has prepared a final report on the Brand Architecture, having incorporated the preferences of the AEDA Board, which was presented to the CoA Executive team.
I00777	Maintain AEDA brand independence (to drive increased engagement and participation with external stakeholders)	As above
Community Safety		
Internal Audit ID	Recommendations	Outcomes
I00796	A transparent, concise process needs to be developed and communicated to all staff who request work orders. Document a guideline to assist staff in prioritising work orders and ensure SLAs are assigned to those priority levels in the Assetic system.	The system configuration and roll out of AM2 resulting in any and all works requiring a Work Order to be raised – opened and closed. There are linkages between Pathway and Assetic/AM2 via the API so that data flows from Pathway requests into Work Orders. The guideline is being captured as part of the Service Standard development and endorsement.
I00798	For any actions not required to be entered into Pathway, provide the relevant actions taken in the call log spreadsheet. This additional column can be used to note actions taken and Pathway reference numbers.	The On Call Duties (After Hours) Spreadsheet has been amended and updated.
I00810	Consideration be given to introducing a more formalised process to monitor and update actions in a system that providers regular notifications that an action is assigned to the relevant action owner.	Working with the Project Management Office to use the Project & Contract Management System to trigger notifications and reporting. This is being trialled and tested over the next 6 months.
I00812	Work with IM and Customer Centre to create a category within Pathway so that when Customer Service Representatives and CSOs report on alcohol-related and Adelaide Dry Area matters, they are able to identify Dry Areas in the reporting.	Changes to Pathway have been performed and updated.
Strategic Review of Climate Change Risk Adaptation Action Plan		
Internal Audit ID	Recommendations	Outcomes
I00802	Develop and communicate a standardised process for reporting updates of the status of actions to the Park Lands, Policy and Sustainability	Instructions tab-sheet has been included in the excel workbook. Email sent on 28 June 2024 requesting responsible managers across the CoA provide

	team for quarterly reporting at the Audit & Risk Committee meetings. Formalise the quality assurance process for marking actions as 'Complete' Develop an Integrated Sustainability Strategy as a guiding framework for the Action Plan	evidence of the action being taken by way of Content Manager reference or other documentation. Integrated Climate Strategy endorsed by Council on 11 June 2024.
I00803	Developing key milestones to support planning processes in the delivery the Action Plan. Access of CCAIF / sustainability project funding. Integrating existing CCAIF annual costing allocation breakdowns into the LTFP. Through consulting key stakeholders and reviewing outstanding actions, refreshing timelines to ensure they are achievable and prioritised appropriately.	The Integrated Climate Strategy priorities has been developed and presented to Audit and Risk Committee in September. The PMO tool has been updated to include a section for climate risk assessments. The Integrated Climate Strategy will be incorporated into the LTFP once it has been fully costed and a funding pathway identified.
I00804	Introduce a more formalised quality assurance process to validate the actions Consider uplifting monitoring and reporting processes for the Action Plan Consider ways to alleviate the administrative burden of coordinating the Action Plan by key staff Assign greater accountability to Managers responsible for actions within the Action Plan	Public consultation has been completed. KPMG will assist in developing priorities actions and introduce a new reporting framework. A separate piece of work is being commissioned to peer review the draft Integrated Climate Strategy including priorities and metrics. KPMG has been engaged to assist with this work.
I00807	Align with better practice climate related reporting frameworks Develop an Integrated Sustainability Strategy Formalise external communication of greening initiatives and other climate change mitigation or adaptation activities to CoA stakeholders.	A separate piece of work is being commissioned to peer review the draft Integrated Climate Strategy including priorities and metrics. CoA Website has been updated. The Project Risk section of the Project Request System has been updated to include a field for 'Climate Change Risk Assessment'. The Housing Strategy was endorsed by Council on 13 February 2024.
Project Health Check		
Internal Audit ID	Recommendations	Outcomes
I00816	Update the PMO Framework and provide guidance for project complexity, aligned to the 'Complexity Rating' undertaken as part of the Project Brief.	The PMO Governance Terms of Reference has been updated to reflect the complexity of projects and the ongoing management of budget and contingency.
I00819	Review the framework for the management of project carryovers and the development of the annual portfolio budgets.	The Infrastructure team have reviewed and updated all existing asset management plans. The outcome of the Asset review is a 10-year asset management plan that will be utilised to inform the Long Term Financial Plan for the next 10 years. These plans are then utilised to

		prioritise works in the next Annual Business Plan & Budget.
I00820	Implement a standard template for logging external stakeholder feedback and any actions be created and saved to TRIM with supporting information.	Stakeholder engagement templates have been created and are available for project managers via the OSCAR Community Engagement Site.
PCI Compliance Review		
Internal Audit ID	Recommendations	Outcomes
I00827	Review the list of EFTPOS terminal devices and ensure that all required information is accurate.	NAB and CBA terminals lists are stored in Content Manager
I00828	Perform quarterly external vulnerability scans, via an Approved Scanning Vendor (ASV) approved by the PCI SSC.	External PCI Scan includes Voice gateways and External IP addresses that outbound CDE traffic uses.
I00832	Review the management of service providers and ensure documentation of in scope service providers includes details of the services provided	The list has been updated with services identified and provided for on behalf of CoA. This is a live document and is amended as new services are added.
I00833	Educate new procurement personnel on the requirement to monitor service provider compliance status	New team members have been educated on the requirement to monitor service provider compliance status. In addition to those outside of current agreements within PCMS.
I00834	Document the requirements each service provider is responsible for maintaining on CoA's behalf.	The requirements each service provider is responsible for maintaining on CoA's behalf have been documented.
Post Audit Implementation Review		
Internal Audit ID	Recommendations	Outcomes
I00836	Project Management Review - Finalise the framework for the grant funding working group and implement this working group to assist council in identifying opportunities for grant funding to assist strategic and capital projects.	Grant funding working group has been established and first meeting held. A number of actions have been flagged for implementation and further review.
I00839	Fleet Management & Fuel Cards - Create a formal induction process, document this and roll this out to all relevant teams that are assigned vehicles. This induction should be provided to all designated drivers and cardholders to ensure that they are informed and aware of their responsibilities.	The link has been updated within the New Starter Checklist with the relevant form.
I00840	Fleet Management & Fuel Cards - Confirm with relevant teams, if the checklist is being completed and where the records are being stored.	Confirmed with the WHS team that vehicles are noted within the Site inspections and will be conducted at the same time.
Local Government Security Framework		
Internal Audit ID	Recommendations	Outcomes
I00842	Develop an Information Asset Register	Information Asset Register has been developed.

I00843	Uplift the New Starter Checklist	Induction materials have been reviewed and updated. Checklist completed.
I00844	Develop an information classification scheme	Information classification scheme has been developed.
I00846	Continue to allocate resources into planning and uplifting physical security.	Draft document on Security Framework has been developed and newly created Physical Security Committee has been established.
I00847	Develop a formal security calendar.	This has been endorsed by the newly created Physical Security Committee and will be uploaded to the intranet
Emergency Management		
Internal Audit ID	Recommendation	Outcome
I00853	Consider the most appropriate communication channels for Council Commanders to communicate Emergency Management Content. Upload a copy of the reported incidents to SharePoint for all Council Commanders. Coincide the Emergency Management Steering Committee meeting with the incoming Council Commander. Set up a Microsoft Teams chat for Council Commanders enabling means for communication.	Microsoft Teams site has been set up for Council Commanders to store relevant documentation and a chat forum to enable communications. All Council Commanders are invited to all Emergency Management Steering Committee meetings.
I00854	Communicate emerging risks and watch lists to Senior Managers and Associate Directors	This is an agenda item on the SLT agenda and update the group following each SRIA meeting.
Data Protection & Privacy		
Internal Audit ID	Recommendation	Outcome
I00863	Update the current recording notice to include a statement that the call will be recorded by providing a disclaimer at the beginning of the call covering the personal information notification. Develop and implement a standardised customer verification protocol across all service agents to uniformly secure personal information. Update the Unreasonable Complainant Operating Guideline.	IVR messaging satisfies the requirement. The recording has been updated. A standardised document has been developed and added to sharepoint page to be included in induction and training for customer verification protocols. Approved to have the Privacy Policy referenced in the Unreasonable Complainant Guideline and the Complaints Handling Guidelines.
Culture Survey Review		
Internal Audit ID	Recommendations	Outcomes
I00871	CoA considers the following in the context of developing a communication strategy.	A communication plan was established for the 2024 Culture Survey and shared with Executive ahead of the survey launch. Regular communications have been scheduled with leaders and employees to keep staff engaged and informed

I00872	In order to rebuild trust in the Culture Survey process at the CoA, the CoA should consider the benefits and costs for next Culture Survey to be run by an independent external authority with organisational psychology and organisational culture expertise. Or alternatively run by the People team a complete repositioning and improvement of the Culture Survey is required.	This was completed within planning process for the 2024 Culture Survey. Executive consulted and approved the approach.
I00873	Establish a formal, standardised process for survey analysis and translation of survey results into action plans. Establish a formal, standardised process for survey analysis and translation of survey results into action plans. Clear accountability mechanisms for the execution of culture improvement actions are established.	The approach for the processing and analysis of quantitative and qualitative data was determined prior to the survey launch. Regular communications with leaders and employees have set expectations regarding action planning. The establishment of a senior leadership team organisational culture reference group will assist in the monitoring of actions and the sharing of leading practice.
I00875	For the next Culture Survey, provide a glossary of terms, clear objectives, and KPIs. Review demographic questions to ensure the survey protects staff anonymity.	Design of the 2024 culture survey has incorporated these elements with intent to undertake future culture surveys on a biennial basis, with a pulse check every 12 months at a minimum.

13. **One additional action has become overdue** since the previous update to the Audit and Risk Committee (originally due 31 August 2024):

Local Government Framework		
Internal Audit ID	Recommendation	Agreed Action
I00845	CoA will review the criteria of roles requiring National Police Checks and will consider whether it is feasible to make it mandatory across all roles. If not, CoA will: - Formalise the decision points for determining whether new roles require police and/or other checks and - Regularly review the Prescribed Position Assessment Tool and Register to ensure requirements are accurate	The process has commenced to review if all roles require a National Police Check. This has taken longer than expected to review each role and responsibility. Originally due 31 August 2024, this is expected to be finalised by 31 December 2024.

14. The 5 overdue actions are in progress and the status of these actions is shown in the below table.

Park Lands Expenditure				
Responsibility: Director City Services				
Internal Audit ID	Recommendation	Reason Overdue	Status	Proposed Due Date
I00518	Following the Plan, develop a RACI model	The Park Lands and Open Space Asset Management Plan was finalised in June 24. The AMP outlines the roles and responsibilities	In progress	31 Dec 2024

		and make reference to the revised strategic framework. Work is now being conducted on developing the RACI		
Management of Procurement Practices				
Responsibility: Chief Operating Officer				
Internal Audit ID	Recommendations	Reason Overdue	Status	Proposed Due Date
I00648	Conduct the review of 12 months period implementation of performance metrics.	Performance metrics will need to be implemented prior to the review.	In progress	30 Jun 2025
I00654	With the benefit of better reporting promote the performance, achievements and value add that the procurement team brings to the organisation.	To enable reporting on Qrt 1 promoting the performance achievements and value add that the procurement teams brings to the organisation.	In progress	30 Jun 2025
Voters Roll				
Responsibility: Chief Operating Officer				
Internal Audit ID	Recommendation	Reason Overdue	Status	Proposed Due Date
I00737	CoA lobby for legislative change if this is required to be addressed. Explore ability to influence conjunction with other work around impending changes to CoA Act.	This has not progressed due to EOFY rating priorities. Meeting to be scheduled with Governance to revisit what the best approach will be.	Overdue	30 Sep 2024
Local Government Security Framework				
Responsibility: Chief Operating Officer				
Internal Audit ID	Recommendation	Reason Overdue	Status	Proposed Due Date
I00845	CoA will review the criteria of roles requiring National Police Checks and will consider whether it is feasible to make it mandatory across all roles. If not, CoA will: • Formalise the decision points for determining whether new roles require police and/or other checks and • Regularly review the Prescribed Position Assessment Tool and Register to ensure requirements are accurate.	The process has commenced to review if all roles are required to have National Police Checks. This is taken a little longer than expected to review each role and responsibility than expected.	In progress	31 Dec 2024

15. A summary of the status of actions is shown in the below table, with the complete document able to be accessed via [Link 3](#).

Risk	Definition	Overdue	In Progress	
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives	1	15	16
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives.	2	34	36
Low	Issues represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	2	16	18
N/A	Improvement Opportunity	0	8	8
	Total	5	73	78

DATA AND SUPPORTING INFORMATION

Link 1 – Internal Audit Plan 2023 - 2024 Status Update

Link 2 – Internal Audit Plan 2024 – 2025 Status Update

Link 3 – Agreed Actions Progress Report

ATTACHMENTS

Nil

- END OF REPORT -

Record Keeping Internal Audit

Friday, 8 November 2024

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

Kathryn Goldy, Acting Manager
Governance

Public

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on record keeping requirements of the CoA was performed.

This audit aligns with the Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.

The internal audit identified three findings, risk-rated as High.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

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, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
 2. Endorses the responses of the Administration to the Record Keeping Internal Audit Report as outlined in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
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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	Not as a result of this report
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 largely on compliance, risk management and improvement opportunities. As such audits 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	Not as a result of this report
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 Record Keeping Internal Audit was performed by CoA's Risk and Audit Analyst, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with CoA's Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.
3. The *State Records Act 1997 (SA)* governs Council's' obligations and responsibilities regarding the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition.
4. The Records Management Operating Guideline (Operating Guideline) applies to all areas of the Council, including subsidiaries, electronic business and social media. It concerns records that are created, collected, processed, used, sentenced, stored and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfil its obligations and statutory requirements under the *State Records Act 1997 (SA)*.
5. Good records management is of key importance to good governance. All official records created or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS utilised by CoA is Content Manager.
6. The Record Keeping Audit for 2024 focused on selecting teams across the organisation to be included in the audit. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Operating Guideline.
7. The findings of the internal audit are indexed into the following risk ratings.

Finding	Risk Rating
City Operations	High
Community Wellbeing	High
Finance	High

8. Administration has considered the findings and provided actions and timeframes to address these findings, (outlined in the findings section of the Record Keeping Internal Audit, Attachment A).
9. Management action 1 to Finding 1 to the Record Keeping internal audit with a due date of 30 October 2024 is in progress and is due for completion by 30 November 2024.

ATTACHMENTS

Attachment A – Record Keeping Internal Audit

- END OF REPORT -

INTERNAL AUDIT REPORT: RECORD KEEPING

Prepared by: Annette Pianezzola, Risk & Audit Analyst

August 2024



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Distribution			
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Kathryn Goldy	A/Manager Governance	City of Adelaide	Strategic Risk and Internal Audit Group
Mark Goudge	Associate Director Infrastructure	City of Adelaide	Audit & Risk Committee
Nicole Van Berkel	A/Finance Manager & Procurement	Michael Sedgman	Chief Executive Officer
Jennifer Kalionis	Associate Director City Culture		
Sonjoy Ghosh	Manager Information Management		

1. EXECUTIVE SUMMARY

In accordance with the 2023/24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focussing on the record keeping requirements of the CoA was performed. The objective, scope, approach and findings are outlined below.

2. OBJECTIVES

The Record Keeping Audit for 2024 focused on a selection of various teams across the organisation to be included within the audit. This review is included in the 2023-24 Internal Audit Plan to provide a level of comfort to the CoA Executive Team, the Executive Strategic Risk & Internal Audit Group (SRIA) and the CoA Audit & Risk Committee that our record keeping compliance obligations are being met. This audit was developed and facilitated in conjunction with Information Management as per the requirements in the Records Management Operating Guideline.

3. BACKGROUND

The *State Records Act 1997 (SA)* governs the obligations and responsibilities of councils in relation to the management of official records. Under this Act, the Council has an obligation to maintain official records in its custody in good order and condition.

An official record is a record made or received by the council in the conduct of its business. This means that because employees of the Council act as a representative of the Council, any record created, sent, received, forwarded or transmitted by Council employees in the performance and discharge of their functions and duties may be classified as an official record.

The Records Management Operating Guideline (Operating Guideline) applies to all areas of Council, including subsidiaries, electronic business, and social media. It concerns records created, collected, processed, used, sentenced, stored, and disposed of in the conduct of official business. It applies to all Council employees and employees of the subsidiaries. The Operating Guideline provides the framework for the Council to effectively fulfil its obligations and statutory requirements under the *State Records Act 1997 (SA)*.

Good records management is of key importance to good governance. All official records recreated or used by employees while conducting Council business are to be retained and, where appropriate, registered into the corporate Electronic Document Records Management System (EDRMS). The current EDRMS that the CoA uses is Content Manager.

4. METHODOLOGY

During July, discussions were held with the relevant stakeholders to understand the current practices in each area in relation to record keeping as per the Operating Guideline. Five programs/teams were reviewed independently by Annette Pianezzola, Risk and Audit Analyst. A sample of tasks were selected from each area to discuss the process of how information is recorded and where it is stored.

A desktop review was conducted, with two of the actions deemed to be satisfactory. Three actions have been determined with deficiencies identified and will be registered in the Process Manager software system for monitoring and review. These findings are listed below:

Program / Team	Task	Satisfactory	Deficiencies Identified
City Operations	Inspections Documents, checklists for daily, monthly and annual inspections		1
Customer Experience	Open Forms Templates, documents, email correspondence	1	
Customer Advocates	Customer correspondence Emails, social media messages,	1	
Community Wellbeing	Community Home Support Program Email correspondence, documents, client information		1
Finance	Statutory requirements Email correspondence, documents, spreadsheets, monthly/quarterly reports, Monthly tax returns		1

5. CONSULTATION

The following CoA stakeholders were involved in meetings throughout the audit:

- Scott Rodda, A/Associate Director City Operations
- Matt Jorgensen, Manager City Presentation
- Rada Sofranic, System Support Officer
- Brooke Winter, Lead Customer Readiness
- Melaine Stewart, Digital Services Advisor
- David Penrose, Lead Web & User Experience
- Raechel Pratt, Lead Systems & Insights
- Karen Crompton, Team Leader Customer Centre
- Tammy Bria, Team Leader Customer Centre
- Anatasia Kallika, Customer Advocate
- Betty Sfyrios, Customer Advocate
- Jacqueline Stretton, Senior Customer Service Representative
- Beth Keough, Team Leader Community Wellbeing
- Nicole Van Berkel, A/Manager Finance & Procurement
- Shelley Palmer, Team Leader Corporate Records
- Paul Kirkham, Asset Intelligence Coordinator

Internal Audit Report: Record Keeping

- Geoffrey Jose, Team Leader Spatial Systems
- Simon Davis, Manager Infrastructure Planning

6. SUMMARY OF FINDINGS

Ref #1 City Operations	Rating: High
Finding and Recommendation	Agreed Actions
Finding: The City Operations team perform daily and monthly inspections of all sites across the CBD including North Adelaide. These inspections range from general areas, playground equipment, seating, trees etc. Inspections are recorded to ensure that the area is maintained, there are no trip hazards present, and that the infrastructure is safe for public use. The weekday inspections are entered directly into the Assetic (Asset Management System), against the particular asset being inspected. A series of questions are addressed and inspected by the Council officer who enters this, and all records are date/time stamped. No records are then extracted and placed in Content Manager (Council's record management system). For inspections performed on weekends, the checklist is paper-based, and documents are filed in Content Manager. This is because tablet devices are not issued to the Council officer on weekends. An external consultant performs annual inspections and once completed, provides the report to CoA. These records are maintained in the Content Manager. In discussion with the stakeholders, it was noted that daily and monthly inspections are not maintained in Content Manager, as per the Records Management Operating Guideline. The information is recorded in Assetic, and if it is required to be stored in Content Manager, the information will be duplicated. The Record Management Operating Guideline states that all council records must be maintained in Council's records management	Management comments: 1. Finalise the update of the Records Management Operating Guideline to include all approved systems of records. Responsibility: Manager Information Management Target Date: October 2024 2. Re-establishment of the BSC to ensure Information Management is aware of the IT software procurement that business units are considering. Responsibility: Manager Information Management Target Date: December 2024 3. As part of the AM2 project, there is the opportunity to automate the transfer of records to Content Manager. This requires further investigation and agreed structure, nomenclature and containers to store the records. This will require budgetary consideration to undertaken an assessment and scope to the project up. Responsibility: Associate Director Infrastructure Target Date: June 2026 4. In the interim, until point 2 is implemented, download the inspections from Assetic weekly and place them in Content Manager.

system, Content Manager. In reviewing the Operating Guideline, the records management system will be used to manage the Council's official records except for data that is generated within business software applications (e.g. Pathway, Finance One etc). In reviewing the Operating Guideline, the approved system of record does not state all relevant business software applications, therefore it is difficult to determine which software is approved as a system of record. The Central Records team are in the process of reviewing this Operating Guideline to ensure the information is up-to-date and accurate. The system owner of Assetic is the Infrastructure program, therefore further investigation is required to determine if this business software application can be exempt. Recommendations 1. Complete the review of the current Records Management Operating Guideline to ensure all business software applications that are exempt are stated in the Operating Guideline. 2. Proactively reach out to business units to identify IT software procurement requirements. 3. In consultation with Central Records, Infrastructure to explore the opportunity to list Assetic as an approved business software application exempt from storing Council records in Content Manager with Information Management, which is the owner of the Records Management Operating guideline.	Responsibility: Associate Director Infrastructure Target Date: June 2025
Position Responsible:	Manager Information Management / Associate Director Infrastructure
Target Date:	As above

Ref #2 Community Wellbeing	Rating: High
Finding and Recommendation	Agreed Actions
Finding: CoA offers the aging community a Commonwealth Home Support Programme (CHSP). This programme is to assist older Australians access entry-level support services to live independently. There are a number of services that participants of the program can receive, and this is managed by the Community Wellbeing team at Council. To manage the services provided, CoA uses software called a Service Management System (SMS). Agencies use this software to deliver community care to their residents. CoA will use SMS to retain participant details, customer enquiries, correspondence with contractors, etc. There are approximately 150 current participants recorded in the software, however, the information is not extracted and retained in Content Manager, CoA's records management system. Instead, all records are kept against the participant profile. Furthermore, there is no disposal schedule for these records. If the records are retained in Content Manager, then the Central Records team will manage the disposal schedule. In addition, in a recent audit undertaken by KPMG 'Data Protection & Privacy' it was identified that information stored in this system is not disposed of. One of the actions from this audit is to consult with Alchemy Technology to understand their data management process in particular with how data is disposed. In discussion with Central Records, the Team Leader has provided information to the Community Wellbeing regarding the appropriate disposal schedule for these types of records. In addition, they have discussed with the team, whether CHSP can be listed as an approved system of record, though this will exclude any permanent retention items, agreements that are signed under seal and any correspondence that comes through the Australia Post. However, this has not progressed any further.	Management comments: 1. Engage with Central Records to discuss the potential for SMS to be an approved system of record. Responsibility: Associate Director City Culture Target Date: November 2024 2. Discuss with Central Record the disposal schedule as advised by Alchemy Technology. Responsibility: Associate Director City Culture Target Date: November 2024

As the SMS system is used to capture all correspondence for participant details and liaison with contractors to manage the services for the aged, further discussions with Central Records are required to determine if the software can be listed as an approved system of record instead of duplicating the data.

Recommendations

1. Consult with Central Records to complete a Business System Classification Proposal so that the SMS software can be listed as an approved system of record.
2. Consult with Alchemy Technology to understand their data management process in particular with how data is disposed.

Position Responsible:	Associate Director City Culture
Target Date:	As above

Ref #3 Finance		Rating: High
Finding and Recommendation		Agreed Actions
Finding: Finance uses Pathway and Technology One to process the majority of their work, both software is listed as an approved system of record. However, there are times when their work is recorded on spreadsheets for reporting and data analysis. Most of this reporting is performed through monthly and quarterly reporting, which is stored in Content Manager, CoA's records management system and in ModernGov, CoA's meeting and agenda management software. All records created in ModernGov are then exported to Content Manager. In discussion with Finance, the majority of work recorded on spreadsheets is then translated into a report, whether in ModernGov or monthly meetings with the respective teams. However, it was noted that tax information such as Fringe Benefit Tax (FBT) and Business Activity Statements (BAS) are uploaded into the Australian Taxation Office (ATO) portal and all internal workings and reports are held on the CoA's N Drive. These statements are not stored in Content Manager, nor is there a disposal schedule set up. Recommendations 1. Create Content Manager folders, to retain all internal workings and copies of all reports submitted to the ATO.		Management comments: Set up Content Manager containers and ensure all tax returns (FBT and BAS) are stored in these folders including statements and calculations. Responsibility: Manager Finance & Procurement Target Date: October 2024
Position Responsible:	Manager Finance & Procurement	
Target Date:	October 2024	

APPENDIX 1: RISK MATRIX OF INTERNAL AUDIT FINDINGS

The following framework for the internal audit ratings is consistent with the CoA Risk Management Operating Guidelines and the Risk Management International Standard ISO31000:2018. The descriptions have been tailored to illustrate risk to the business operations.

6.1 CoA Risk Matrix

CoA Risk Matrix		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	High	High	Extreme	Extreme
	Possible	Low	Medium	High	High	Extreme
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

8.3 Risk & Finding Descriptions

Rating	Definition	Action	Indicative Timeframe (variations to be agreed by SRIA)
Extreme	The finding represents a control weakness which could have or is having an extreme adverse impact on the business and the ability to meet objectives. • Extreme decline in quality and customer service leading to a decrease in community's confidence in Council • Extreme breakdown in process that leads to illegal activity • Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty	Finding reported to Director immediately and response plan developed with appropriate Associate Director. Implementation updates and status reporting managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 3 months for completion.
High	The finding represents a control weakness which could have or is having a high adverse impact on the business and the ability to meet objectives. • Major decline in quality and customer services leading to a decrease in community's confidence in Council • Serious breakdown in process that may lead to increased and unacceptable risk • Breach of legislation or contractual non-compliance that will result in litigation, prosecution and/or penalty	Finding reported to the appropriate Associate Director immediately and response plan developed with appropriate Manager. Managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 6 months for completion.
Medium	The finding represents a control weakness which could have or is having a medium adverse impact on the business and the ability to meet objectives. • Medium decline in quality and customer services leading to a decrease in community's confidence in Council • Medium operational breakdown in process that may lead to increased and unacceptable risk • Minor breach of legislation or contractual non-compliance that will <u>not likely</u> result in litigation, prosecution and/or penalty	Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 9 months for completion.
Low	The finding represents a minor control weakness which could have or is having a low/ minimal but reportable adverse impact on the business and the ability to meet process objectives. • Minimal decline in quality and customer services • Minor breakdown in process that is not likely to affect risk • Minor breach of legislation or contractual non-compliance that will <u>not likely</u> result in litigation, prosecution and/or penalty	Finding reported to appropriate Manager through Internal Audit Report and managed through Promapp.	Actions managed in Promapp with a timeframe of no more than 12 months for completion.

Exclusion of the Public

Friday, 8 November 2024

Audit and Risk Committee

Program Contact:

Kathryn Goldy, Acting
Manager Governance

Public

Approving Officer:

Michael Sedgman, Chief
Executive Officer

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

11.1 Strategic Risk and Internal Audit Update [section 90(3) (i) of the Act]

The Order to Exclude for Item 11.1

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 8 November 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.1 [Strategic Risk and Internal Audit Update] listed on the Agenda.

Grounds and Basis

This Item is confidential in nature because the report includes information on Council litigation.

The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 8 November 2024 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Strategic Risk and Internal Audit Update] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (i) of the Act.

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999* (SA) (the Act), directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.
3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -
 - (a) *cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*
 - (b) *cause a loss of confidence in the council or council committee; or*
 - (c) *involve discussion of a matter that is controversial within the council area; or*
 - (d) *make the council susceptible to adverse criticism.*
5. Section 90(7) of the Act requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
 - 5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following matters are submitted seeking consideration in confidence.
 - 6.1. Information contained in Item 11.1 – Strategic Risk and Internal Audit Update
 - 6.1.1 Is not subject to an Existing Confidentiality Order
 - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (i) of the Act
Information relating to the actual litigation, or litigation that the council or council committee believes on reasonable ground will take place, involving the council or an employee of the council.

ATTACHMENTS

Nil

- END OF REPORT -

Document is Restricted