KPMG

Electric Vehicles Transition for Workshop Operations

Internal Audit Report

The Corporation of the City of Adelaide

—

February 2025

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

Executive Summary

Background

In accordance with the 2024/2025 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on the CoA's preparedness for the transition to Electric Vehicles (EV), focused on workshop operations, was performed. The objective, scope and approach are outlined below.

Objective

The overall objective of this internal audit included a high-level assessment of workshop operations and identification of areas that may require adjustment to enable and to support a predominately EV-based fleet by 2030.

Scope of services

The scope of this engagement included the following:

- Understanding, at a high level, the CoA's current resourcing structure for workshop operations, and consideration of relevant strategic plans that may impact future resourcing requirements for the workshop.
- Performing a high-level assessment of the following areas of workshop operations, and commenting on adjustments required to support a predominately EV fleet by 2030:
    - Current staff qualifications and necessary training.
    - The physical facility's capabilities and modifications needed, including electrical power needs, battery handling and disposal and fire suppression and safety.
    - Evaluation of support and testing equipment to ensure compatibility with EV requirements.
    - Review of tasks currently conducted within the workshop to identify potential changes or upgrades.
- The clarity of roles, responsibilities and accountabilities within workshop operations.
- Approval processes and key controls for workshop expenses, including adherence to delegated authorities.
- Conducting a high-level assessment to understand key pain points and opportunities for improvement to workshop operations.

Scope exclusions:

- Review of the deployment and operations of an EV fleet.
- The internal audit has considered the workshop updates required for fleet, and did not consider transition requirements for other items of plant.

A detailed list of the scope and approach is included in **Appendix 1.**

Positive Observations

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

- ✓ CoA personnel are aware of the potential impact on workshop operations resulting from the proposed transition to an EV fleet. Stakeholder meetings also highlighted that personnel have preliminarily identified necessary changes to processes and systems to address the transition.
- ✓ The site inspection carried out by Internal Audit noted that supporting electrical infrastructure is already in place and can be utilised to support an EV fleet.
- ✓ The transition of the EV Fleet will be a key enabler for the CoA to achieve Goal 5: A climate leading capital city, of the Integrated Climate Strategy 2030.

Summary of Findings

The number of findings identified during the course of this internal audit is shown in the table below. A full list of the findings identified, and the recommendations made, is included in the detailed findings of this report. Classification of internal audit findings is detailed in **Appendix 3** to this report.

Critical	High	Moderate	Low	PIO*
-	-	4	1	2

**PIO: Performance Improvement Opportunity*

Background

Integrated Climate Strategy

In June 2024, the CoA adopted an Integrated Climate Strategy 2030 which outlines the CoA's desire to halve its climate impact by 2030. To achieve this strategy, the CoA has developed five key goals which outline where the greatest priority in effort is required. These goals include:

1. A climate resilient city
2. A net zero ready city
3. A city where nature thrives
4. Transition to a decarbonised city
5. **A climate leading capital city**

Within Goal 5, the CoA has outlined an objective to transition its corporate fleet to zero emissions by 2030. To achieve this objective, the CoA is preparing to transition its fleet to EV vehicles, machinery and assets. This transition requires a large amount of infrastructure, tooling and documentation, to support the fleet as well as maintain operations for Council ratepayers and stakeholders.

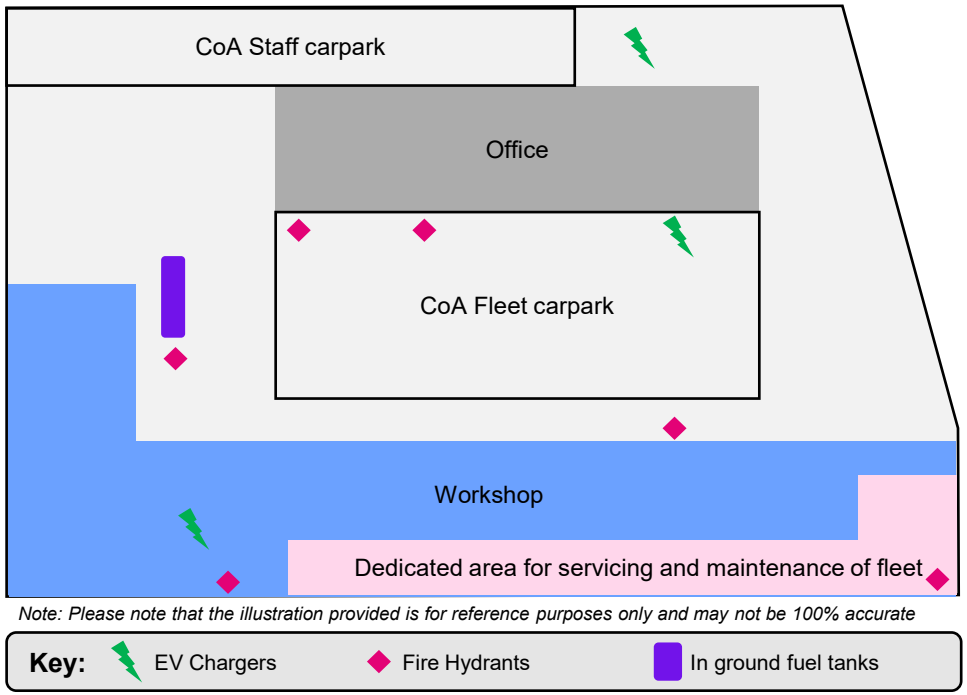
Current Fleet and Workshop

The CoA maintains and owns a large range of vehicles from passenger vehicles to large trucks which can carry over 10 tonnes. The fleet also includes machinery which assists the CoA in completing services for the Council area. The CoA will be required to transition over 70 utility vehicles and 20 trucks to EV in order to achieve Goal 5 of the Integrated Climate Strategy.

As the CoA maintains and services the vast majority of its fleet, this will present challenges in progressing the transition to an EV fleet. As EV fleet and machinery are vastly different to service and operate, chargers, tooling and specific technical expertise are a few of the key areas which will require uplift in the CoA's current workshop operations to facilitate the transition.

Whilst the fleet is a key aspect in achieving Goal 5, the CoA has a large obligation to also maintain services provided to the public throughout this transition. Therefore, it is critical for the CoA to have a well-structured and operational workshop to service and uphold the EV fleet maintenance.

The current workshop has inground fuel tanks which allow the fleet to be refuelled when required. Recently, the CoA has installed three chargers at the London Road Depot, for their current fleet as shown on the diagram below. However, it is noted these chargers are Type 1 chargers and may require updates to be compatible with the future EV fleet.



Note: Please note that the illustration provided is for reference purposes only and may not be 100% accurate

As the CoA currently undertakes nearly all servicing and maintenance within the workshop, adequate fire hydrants and safety must be in place to ensure this work is undertaken safely. Additionally, with the EV fleet to be serviced and maintained within the same dedicated workshop area for maintenances and service, further additions of safety and charging infrastructure will be required to uphold current service regimes. For example, due to the nature of the EV fleet with large batteries, consideration of additional firefighting related infrastructure to mitigate the risk of fires will be needed.

Background

Current Fleet and Workshop (contd.)

When determining the need for additional charging stations within the workshop area for servicing and conducting works on EV assets, factors such as fleet size and growth, charging speed and capacity, electrical infrastructure, safety and compliance, space and layout, monitoring and management, integration with operations, and future-proofing will need to be carefully considered.

Power Supply

The CoA depot is located 2km from the Adelaide CBD and is the primary location for all CoA fleet to park and be maintained. Additionally, this site was previously a foundry, and as a result, the site has a High-Voltage connection which will be of great assistance for charging and maintaining an appropriate amount of power for the EV fleet.

The CoA has also recently engaged an external consultant to provide insights on upgrading the London Road Depot to be energy efficient and reduce carbon emissions. This report provided insights on the potential solar upgrades which the CoA can introduce as well as the potential charging stations which can be installed within the property. One recommendation from this report was for the CoA to introduce 10 (ten) charging stations near the office to provide infrastructure when the CoA eventually have a completely EV fleet.

Structure

The current workshop personnel structure is shown below:

Across this structure there are currently 48 staff members between all levels and designations. However, within the Team Leader, Workgroup Leader and Trades/Workshop Technical Officer level, there are five (5) staff, with the remainder of staff being Mechanics, Welders, Officers, etc.. Furthermore, within the Workshops, there are currently eight (8) mechanics employed by the CoA and two (2) apprentice mechanics.

The current structure contains a range of levels which results in a large range of expertise, roles and responsibilities. The key workshop operations are managed by the Workgroup Leader of Workshops alongside the Leading Hand Mechanic. Currently these two roles are responsible for reviewing incoming maintenance and service requests and then assigning to the relevant mechanic or resource to complete this task.

This process has recently been upgraded through the introduction of an asset management system, Assetic. This system allows work orders to be created on the relevant assets and provides a workflow through to the mechanics or resources completing the service. As this process has only been recently implemented, paper based forms are still being utilised which outline the type of service completed and the time taken.

Importance of an EV transition

The transition to an EV fleet is vital for the CoA in aiding climate mitigation as it substantially reduces greenhouse gas emissions and air pollutants from local transportation activities. This contributes to combating climate change and improves air quality, leading to improved public health outcomes within the community.

By adopting EV, the CoA also sets a precedent for sustainability, inspiring local businesses and residents to follow suit. This shift aligns with broader environmental and climate policies, enabling councils to meet regulatory requirements and achieve set emissions reduction targets.

Summary of Findings

Internal Audit identified four (4) moderate, one (1) low risk-rated findings and two (2) Performance Improvement Opportunities. The details of the findings are provided in the **Detailed Findings** section of this report. These findings have been individually rated as outlined below. The classification of risk ratings in this report are based on the CoA's risk ratings (as shown in **Appendix 3**).

Rating	Ref #	Description
Moderate	**F1**	Investment in current workshop capabilities is required to support the transition to EV
Moderate	**F2**	Further work is required to adequately cost and plan the CoA's EV transition
Moderate	**F3**	The CoA's workshop policies and procedures will require review and updating to support the EV transition
Moderate	**F4**	Workshop safety processes require review to ensure sound maintenance practices
Low	**F5**	Data-driven decision making is limited
PIO	**PIO 1**	Scope of workshop activities require strategic review
PIO	**PIO 2**	Procurement and spending on consumables requires additional transparency

Detailed Findings

Finding 1: Investment in current workshop capabilities is required to support the transition to EV

Moderate

Observations	Recommendation(s)	Agreed Management Actions
There has been limited workforce planning to address workforce challenges within the workshops to achieve the CoA's 2030 transition to an all-EV fleet. Specifically, the following areas were highlighted from the internal audit: • Across the ten (10) workshop mechanics, the average age is 52 years old. Investment will be needed to support the transition the mechanics need to make in order to service an all EV fleet by 2030, and what pathways will be available to those approaching retirement age. • Currently, two (2) workshop staff have completed an external training course on Hybrid and Battery Electrical Vehicle Operations which contributes to, but is not inclusive of, the full Certificate III for EVs. Additionally, the CoA has not formally developed a training plan to address the lack of EV related skills within the workforce across the CoA. • The current workshop operations encompass a wide range of activities, from servicing handheld tools to maintaining heavy vehicles. Additionally, a diverse array of assets, each requiring specialised knowledge for effective maintenance and servicing are managed. Stakeholder consultations outlined that CoA workshop staff lack specialised skills for the diverse range of assets maintained and serviced. In addition, there is limited training to uplift specialised skills for the asset types including EV assets. • Stakeholder consultations with workshop Management indicated difficulties in attracting and retaining workshop personnel. It is recognised that in an environment of full employment, it can be difficult for Local Government to match remuneration levels in the private sector. The CoA has attempted to address this through other quality of life measures such as the introduction of a nine (9) day working fortnight. Across Australia, it is recognised that there is an industry wide shortage of EV qualified mechanics and personnel. This may cause additional difficulties in the CoA's ability to attract and retain EV workforce capability. Additionally, it is acknowledged that the workshop workforce may be limited in their capabilities to service and maintain EV assets due to the restrictions placed by the Original Equipment Manufacturers (OEM). *Continued on following page.*	1. Develop a Skills and Training Plan to ensure relevant CoA staff are appropriately upskilled for current activities and for the transition to EV. This may include providing EV related training to key workshop staff as well as mapping out relevant training schedules. 2. Development of a workforce operations strategy which would include clear roles and responsibilities for staff within the workshop. This should provide workshop staff with an understanding of the type of assets they are to service as well as their general responsibilities.	1, 2 & 3. Work has already commenced in addressing this recommendation. This includes the January talent mapping session, where mapping has commenced on reviewing the skills gaps and structure gaps in the workshop that will allow for a gradual increase in EV upskilled technicians. It is already considered that the transition will need to match the pace of the uptake of EVs – Key team members will be required to undertake additional training (Certificate III in Automotive Electric Vehicle Technology) to be fully qualified. *Continued on following page.*

Finding 1: Investment in current workshop capabilities is required to support the transition to EV (contd.)

Moderate

Observations

Continued from previous page.

Risk(s)

- Without the necessary workforce skills and capability, the CoA may struggle to maintain its EV fleet effectively. This could lead to increased maintenance costs, reduced vehicle reliability, and a higher frequency of breakdowns.
- Inadequate skills within the workforce could result in prolonged vehicle downtime. This would not only affect the operational efficiency of the CoA but also potentially disrupt services that rely on the availability of these vehicles.
- Inefficient maintenance and operation of EVs could undermine the environmental benefits of transitioning to EV. This could result in higher emissions and reduced progress towards goal 5 of the Integrated Climate Strategy.
- As experienced workers retire, there is a risk of losing valuable institutional knowledge and expertise. Without a skilled workforce to fill these gaps, the workshop may struggle to maintain the same level of quality and productivity.

Recommendation(s)

3. The CoA to consider including EV skills in the CoA's workforce planning plans and/or strategies. This may also involve inclusion of workshop staff on succession plans as well as mapping out key skill/capability requirements for future EV tasks.

Agreed Management Actions

Continued from previous page.

This training is upwards of $27,000 per person. Careful consideration will need to be given to internal employees that are put through this training. It has already been discussed that any roles becoming available through attrition will be re-considered as an option to on-board already qualified technicians. Risks exist, current rates of pay are comparatively low when compared to our competitors in the job market.

Responsibility: Associate Director City Operations

Target Date:

- Completion of workshop talent mapping: 30 June 2025
- Identification of employees for additional training (including Certificate III in Automative Electric Vehicle Technology): 30 June 2025
- Training of identified employees: To be conducted in a staged approach with timeline to be determined following completion of the fleet AMP and associated EV Roadmap.

Finding 2: Further work is required to adequately cost and plan the CoA's EV transition

Moderate

Observations	Recommendation(s)	Agreed Management Actions
The CoA has adopted an Integrated Climate Strategy 2030 with a key objective to transition the corporate fleet to zero emissions by 2030. Whilst the CoA has begun this transition with a limited number of EVs and supporting infrastructure, an overall implementation plan supported by an overarching governance framework has not yet been established. This has resulted in: • Individual staff operating in silos with their own views of what the transition looks like and how it may affect their specific areas of practice with no clear leadership guidance to link them together. (i.e. the Sustainability team have been looking into how the Depot could be electrified with supporting EV chargers, and the Workshop Leading Hand has a view on how the workshop will need to be modified to support future EV maintenance). • No roadmap of how the transition will take place nor associated milestones along the way to track progress (such as a spreadsheet mapping out the transition and cost of the fleet and associated infrastructure over the next 5 -10 years). • A lack of business cases to guide budget development for the overall transition. (It is noted that the development of the Fleet Asset Management Plan is required to guide the budget development. There has also been no current planning or costing performed to consider how the transition will be funded as well as its overall impact on the Council's long term financial plans. In terms of the workshop's current physical condition and set up, a range of aspects require improvement to become suitable for the EV transition. Specifically, it was noted: • Current power supply to the CoA workshop is sufficient, however, additional charging stations will be required within the carpark of the workshop as well as within dedicated EV bays. There has been no dedicated plan to identify the location for charging stations. • The CoA has not identified EV maintenance bays which are sign posted and contain the appropriate equipment. Due to the increased safety concerns of EV, further safety equipment is required such as signs and barriers. Workshop operations support for EV maintenance will also require insulated tools and computers/diagnostics in order to complete servicing and maintenance. • Additionally, the CoA workshop currently has three (3) fire hydrants, however, an increase of charging stations within the workshop will provide additional risk of fires. The CoA will be required to investigate potential additional fire suppression equipment. *Continued on following page.*	1. Development of a supporting implementation plan defining clear targets, milestones and responsibilities for the EV transition. 2. Establish a costing methodology to support an understanding of the impact of the transition to the CoA's budget.	1. Agree to develop an implementation plan which will guide the CoA's transition to an EV fleet across multiple departments. However, at the time of the development of these actions, the CoA is out to market to assist in the development of an Asset Management Plan for Fleet (AMP) which is a key required input for the implementation plan. **Responsibility:** Associate Director City Operations **Target Date:** Mid / Late 2026 (+6-12 months post Fleet AMP development) 2. The CoA's current approach to funding renewals and upgrades needs to be explored. A determination will need to be made if additional renewal money can be accessed to address the likely funding gap between the cost of internal combustion engines (ICE) and the comparable EV vehicle. *Continued on following page.*

Finding 2: Further work is required to adequately cost and plan the CoA's EV transition (contd.)

Moderate

Observations	Recommendation(s)	Agreed Management Actions
Continued from previous page. **Risk(s)** • Failure to formalise and document plans can hinder progress towards achieving sustainability goals, such as reducing carbon emissions, which are critical to the organisation's long-term environmental strategy. • Lack of plans to address the EV transition across all business units and teams can result in potentially not achieving the 2030 target due to the lack of defined plans with defined project sponsors. • Lack of budget planning may result either in an overspend which impacts other areas of the council or a delay/inadequate roll-out of the EV fleet. • Inadequate workshop infrastructure to support an EV fleet can hinder the maintenance and servicing of EVs, leading to increased downtime and reduced operational efficiency.		*Continued from previous page.* This will be addressed in key documents such as the Fleet AMP and the Fixed Asset Accounting Guidelines. This also needs to be considered alongside the overall EV implementation plan and likely staged procurement and gradual transition to an EV fleet. **Responsibility:** Associate Director City Operations **Target Date:** Mid / Late 2026 (+6-12 months post Fleet AMP development)

Finding 3: The CoA's workshop policies and procedures will require review and updating to support the EV transition

Moderate

Observations	Recommendation(s)	Agreed Management Actions
While the CoA has developed a range of policies, procedures, and guidelines to address both workshop and day-to-day operations, there is a lack of understanding of key documentation among workshop staff. Additionally, the current documentation does not consistently incorporate EV related aspects, such as battery charging processes. Specifically, the following issues were highlighted from our review: • The CoA operate and maintain four (4) EV vehicles and has developed a Safe Operating Procedures (SOP) for EV Truck and Tindo Bus. However, there is a lack of consistency in details covered by each of the respective SOPs, as the Tindo Bus SOP is far more detailed. For example, the Tindo Bus SOP details the battery charging procedure, however, the EV Truck SOP does not include the procedure to be followed. • Asset Management activities and responsibilities for the specialised engineering assets (i.e. cranes) within the workshop do not appear to be documented and there does not appear to be a clear asset register for these assets. Whilst there is an overall Buildings Asset Management Plan (AMP) maintained by the centralised CoA Asset Management team, its scope is limited to the overall structure and services of the workshop building itself and does not extend to workshop assets. It is recognised that the Fleet AMP is under development, however currently sits outside the centralised CoA Asset Management Team. • There is limited detailed procedures and checklists in place for personnel to complete key tasks. As a result, knowledge retention from previous tasks is heavily relied upon to complete current work. It was further noted that there are limited procedures in place outlining current workflow processes such as assignment of tasks from management to workshop staff. Given the current aging demographic of the workshop workforce (detailed in Finding 1 above), this lack of formally documented workshop procedures may result in key workshop knowledge being lost. (i.e. small plant maintenance expertise currently sits with one mechanic who is nearing retirement). • The CoA has a limited number of OEM manuals obtained through purchasing of assets which can vary in detail to support maintenance activities. These can be accessed from the workshop office when required, however it is unclear if key elements from these manuals have been integrated into workshop procedures. *Continued on following page.*	1. Review key operational documentation to include all aspects of EV. It is noted that the Tindo Bus SOP is an appropriate example to be leveraged where appropriate.	1. The CoA will undertake a first pass review of all relevant and associated quality documentation. Gaps will be identified that exist which relate to the EV fleet gaps will be closed with support from key stakeholders, including Work Group Leaders, Health and Safety Representatives, and the Risk Team. Current procurement processes which exist will be reviewed and updated to ensure that there are checks to ensure all relevant documentation is developed prior to acceptance of new fleets into service. **Responsibility:** Associate Director City Operations. **Target Date:** 1 October 2025 *Continued on following page.*

Finding 3: The CoA's workshop policies and procedures will require review and updating to support the EV transition (contd.)

Moderate

Observations	Recommendation(s)	Agreed Management Actions
Continued from previous page. • The CoA maintains and services a diverse range of assets, however there is a lack of documentation providing guidance to mechanics on each specific asset. Consequently, mechanics often spend extra time familiarising themselves with the asset and may not be aware of recurring or specific issues on an asset-by-asset basis due to this lack of familiarity. **Risk(s)** • Lack of up to date and relevant policies and procedures may lead to inappropriate workplace operations being undertaken or potential mismanagement of fleet. • Unclear operations strategy may lead to inefficiencies and ineffective practices being undertaken by the workshop. • Lack of documentation and unclear responsibilities for workshop assets and lack of an asset register may lead to mismanagement of key workshop assets.	2. Clarify the roles and responsibilities for management of workshop assets and document this within an Asset Management Plan and asset register.	*Continued from previous page.* 2. The workshop assets will be included within the scope of the Fleet AMP. **Responsibility:** Associate Director City Operations. **Target Date:** 1 February 2026

Finding 4: Workshop safety processes require review to ensure sound maintenance practices

Moderate

Observations

The CoA's overarching WHS policy is comprehensive and sound, however gaps potentially exist in the implementation of lower-level processes and controls. (Related to Finding #3).

Specifically for the current EV fleet, elements related to recovery and dealing with the potential of an EV battery fire are not clearly defined. Through internal audit and stakeholder consultations with the CoA's WHS personnel there has been an acknowledgement that some elements could be made more robust and attempts were made during the course of the internal audit to identify and commence remediation of some areas.

There were also instances reported during stakeholder workshops of potentially inappropriate maintenance practices causing concern amongst team members. Whilst no direct evidence of these practices were presented it is noted that:

- No recent WHS audits on overall compliance and implementation of the WHS policy have been conducted other than specific items relating to legislation (i.e. confirming fire extinguishers were within date) within the last couple of years.
- The workshop reported a total of eight (8) incidents over the last two years which consisted of one (1) injury recorded as a lost time incident (LTI), four (4) injuries with no lost time, two (2) near misses and one (1) property damage. Based on limited information that is available within the public domain, recording of near misses appears to be low in comparison to reported injuries and may indicate either under-reporting of incidents or world leading practices.**.

The most recent CoA internal culture review was also observed as reflecting some challenges within the workshop environment. The overall feedback indicated that very few staff felt the working environment was 'positive' and the team was well below the CoA organisation average. As a result, the City Operations Management team will need to investigate further with another pulse check of the team in March 2025.

***Industry benchmark data for minor injuries & near misses are not readily available. Based on available data from the US bureau of labour statistics in 2022 for automotive maintenance and repair workshops combined with models correlating lost time incidents to near misses suggests this number should be in the order of 6-12near misses for the number of staff operating within the workshop (estimated to be ~14). Comparison of lost time injuries cannot be accurately benchmarked due to the low sample size (one incident) and low rate of reported incidents in the data (2 LTIs per 100 people).*

Continued on following page.

Recommendation(s)

1. Training for all workshop staff to re-iterate CoA WHS processes including reporting obligations as well as options for making reports outside of their direct chain of command.
2. Review of workshop practices to support individuals in assessing potential safety implications of maintenance and establish some checks and balances for activities with safety implications. Where appropriate, a second sign off may be required for specific activities and this should be implemented as a process in Assetic so there is an audit trail. This can be completed alongside recommendations within PIO #1.

Agreed Management Actions

1. Toolbox meetings will be conducted to provide training and guidance on how to report and escalate any issues that may arise from time to time. This training will include obligations for reporting of incidents and near misses.

Responsibility: Manager City Maintenance

Target Date: 1 March 2025

2 & 3. Work has commenced on a review of how workflows into, through and out to the team. This includes a review of the current team structure and potential 3-month trial of an additional Leading Hand to provide greater support to technicians with the intent to:

- Give more a more contemporary staff to leader ratio to improve utilisation of corporate systems such as Assetic.
- Improve quality of checks and balances.
- Deepen the structure of the team and increase CoA inherent knowledge.

Continued on following page.

Finding 4: Workshop safety processes require review to ensure sound maintenance practices (contd.)

Moderate

Observations

Continued from previous page.

- This led to discussions and observations that a significant burden of deeming assets safe and fit for purpose following maintenance fell on individuals (either at the mechanic level or work group leader level). Within Assetic, all that is currently required is for the mechanic assigned the work to close the work order when finished and there is no requirement to provide any further documentation or commentary on the work done (related to Finding No. 3). (i.e.: for a vehicle service task, were the brakes checked as part of the service). It is acknowledged that the CoA is currently investigating the feasibility of adding 'checklists' to tasks in Assetic which would improve accountability and reduce the risk of something being missed. Specific critical tasks could also be required to have a 2nd sign off within Assetic as an additional check.
- It was advised by the Work Group Leader that work conducted on key safety related assets such as lifting platforms were all outsourced to specialist contractors as an example of a control. However, it was unclear as to how the decision to outsource is made for these types of assets.

Risk(s)

- The CoA as an organisation may be exposed to liability in the event of an incident due to lack of controls / documentation on maintenance conducted. (It should be noted that the documentation element is currently being considered by CoA for inclusion into Assetic).
- Incidents with potential safety implications may be going unreported.
- Assets may be released from the workshop that are not fit for purpose due to lack of checks and balances.

The following VACC Bulletin "Is your business ready to work on EVs?" and associated Safety Pack is recommended reading to help the workshop prepare for the transition.

Link: OHSE - Is your business ready to work on Electric Vehicles.pdf

Recommendation(s)

3. Improve documentation of activities conducted using Assetic (in progress by CoA).

Agreed Management Actions

Continued from previous page.

- Currently, baseline analysis is being undertaken to review current levels and quality of data collection and utilisation of Assetic including utilisation of Preventative Maintenance Schedules and minimum reporting requirements for warranty and reporting purposes. Further, collection of current levels of electronic time-sheeting and understanding current customer satisfaction levels. It is expected that a 3-month trial would see improvements in all metrics being measured, therefore improving quality and safety outcomes in line with this recommendation.

Responsibility: Manager City Maintenance

Target Date: 30 June 2025

Continued on following page.

Finding 4: Workshop safety processes require review to ensure sound maintenance practices (contd.)

Moderate

Observations	Recommendation(s)	Agreed Management Actions
	4. WHS to conduct an audit of workshop operations, focusing on the completeness of process documentation as required by the WHS policy and how effectively the resulting SOPs have been implemented.	*Continued from previous page.* 4. An audit will be undertaken with key stakeholders, including the Work Group Leader, key Workshop personnel, and Health and Safety Representatives with the remit of the recommendation. This work will be concurrent to Finding No. 4, action 1 and 2. **Responsibility:** Manager City Maintenance **Target Date:** 30 June 2025

Finding 5: Data-driven decision making is limited

Low

Observations	Recommendation(s)	Agreed Management Actions
The CoA is collecting a number of data points but there does not appear to be a clear strategy around how this can be used to improve operations and what additional data is required. This is leading to duplication of effort and hindering the ability to optimise operational efficiency. As the CoA transitions to an EV fleet, the amount of data available will only increase in quantity and variety so it is critical to have a clear strategy to guide the use of data now and into the future. Data collection and reporting (non-financial) is conducted primarily within the Assetic software package, and the current primary objective is Work Order management, including planning, allocating and tracking the effort of staff towards completing jobs. It also enables assets to be tracked and analysed to identify problem assets. Implementation at the workshop level is still ongoing but is showing encouraging progress and has driven measurable improvements in utilisation records. Internal Audit noted that the Assetic system does not appear to be utilised by the depot operations and asset managers to its full potential as: • Whilst there data is being captured, it is not currently actively used for reporting purposes. It's also unclear if the data is being analysed to drive any organisational change or improvement strategies. Any reports of data from Assetic are currently generated on demand and not on a regular basis against any KPIs or metrics. • Lack of detail within individual work orders. The current setup is not capturing details of work performed, other than that the job was completed. This has resulted in a lack of an audit trail particularly for some workshop activities (i.e. were the brakes checked on the last service). This is a known deficiency that CoA staff are currently addressing. • Lack of data capture means certain elements (such as condition based preventative maintenance schedules) are unable to be established. Instead, vehicles are serviced at regular time-based intervals which may not reflect the actual need. Stakeholder consultations outlined there is a lack of assurance that vehicles are serviced and maintained appropriately, with most assets believed to be overserviced. In result, this may be inefficient use of resources and also may potentially risk additional failures through over-maintenance. • In addition, the Assetic system is still gaining acceptance amongst all personnel. This is resulting in Assetic not being used in full to maximise efficiency and additional effort being spent on work order management (i.e. paper-based records are still being duplicated). *Continued on following page.*	1. The CoA should define metrics and KPIs which can be measured to drive improvement given the current implementation of an asset management system (Assetic). For example: tracking and integration of fleet usage data to drive condition based servicing based on kms / hours operated rather than # of months.	1. Work has already commenced with efforts to develop a current baseline of systems usage and efforts to understand current customer satisfaction and expectation. The intent is to understand how data can be used to measure performance and therefore derive quantifiable metrics and targets. The CoA is planning to conduct industry benchmarking to identify potential best practices that should be adopted. **Responsibility:** Associate Director City Operations **Target Date:** 1 December 2025 *Continued on following page.*

Finding 5: Data-driven decision making is limited (contd.)

Low

Observations

Continued from previous page.

There are also other systems responsible for managing data which currently do not integrate with Assetic:

- TechnologyOne, which is used for financial reporting. Assetic provides the CoA with visibility on its labour spend and how it is distributed amongst assets. However, TechnologyOne currently does not provide the same level of visibility for parts and consumables (Refer to PIO #2).
- In-Vehicle monitoring system installed within certain fleet vehicles does not currently feed into Assetic.

Industry best practice of similar Enterprise Asset Management (EAM) software systems sees the integration of work force, parts and inventory, costing and asset utilisation data self-contained within the one system (or at least integrated such that information flows freely between different systems). This will result in linked and accounted for data as part of day-to-day operations, with specific reports automatically generated for review as well as alerts linked to certain triggers to highlight potential issues or anomalies.

Better practice examples of this would include:

- Utilisation report which shows if assets are being used 'evenly' or if one particular asset in a fleet is being over/underutilised.
- Automatic alerts if one asset has suffered a high number of repeated incidents within a specific timeframe which may require that asset to be brought in for further investigation.
- Better management of assets and maintenance resources such as determining service intervals for assets based on actual utilisation rather than setting arbitrary time-based intervals, minimising the effort spent on maintenance to what is necessary.

Risk(s)

- The CoA may be unable to leverage efficiencies and improvements in operations driven by data that they already collect.
- Data being collected may potentially be wasted effort as it is not being used and reported on in line with a clear strategy.
- Current inefficient manual practices may persist even as systems and technology improves.

Recommendation(s)

2. Review of legacy manual processes operating alongside systems such as Assetic to remove duplication of effort.

Agreed Management Actions

Continued from previous page.

2. This has ties to Finding No. 4 and the proposed 3-month trial of an additional leading hand.

   It is expected that the additional leading hand will support with simplifying some of the duplicate processes that are known to exist to improve efficiency in the workshop.

   This includes the transition to electronic time-sheeting and increased usage of the preventative maintenance work orders within Assetic.

Responsibility: Associate Director City Operations

Target Date: 1 December 2025

PIO 1: Scope of workshop activities require strategic review

PIO

Observations	Recommendation(s)	Agreed Management Actions
The CoA currently performs the vast majority of asset maintenance in-house ranging from general servicing to complex repairs and overhauls. A limited number of tasks are currently outsourced which typically occur due to: • Lack of capability in-house (all EVs are currently serviced back at the OEMs) • Relates to specific high-risk equipment (i.e. elevated lifting platforms) • Surges in workload beyond the CoA's internal capacity. Stakeholder consultations outlined that determination of outsourcing is managed by the Workgroup Leader and Leading Hand but there does not appear to be any formalised framework or criteria to guide them. (i.e.: Elevated lifting platforms were highlighted as being outsourced due to the risk associated with these assets if there was a failure, but it's unclear how this risk is determined and how this is standardised and applied across the scope of workshop activities, refer Finding No. 4). It is understood a primary driver for a predominately insourcing model is due to maintaining control of asset downtime and availability, however, there is no evidence currently available that insourcing is the most efficient approach to achieving this objective. There also has not been any evidence presented that decisions between insourcing and outsourcing have been optimised from a cost perspective for the CoA. Current technologies are evolving towards electronic systems which often require specific diagnostics equipment and skills, some of which OEMs are reluctant to share with third party workshops. This is expected to be more prevalent as the CoA transitions to EVs and vehicle systems rely more heavily on electronics and insourcing may not even be an option for certain activities, and noting the potential workforce challenges identified (see Finding No. 1) a consideration of how much future EV work should be outsourced may also alleviate potential workforce capability limitations.	1. Consider a review of the scope of insourced / outsourced workshop activities alongside the CoA's workforce planning strategies at the current state and near future.	1. In conjunction with Finding No. 1, this will be considered following a review of our workforce to understand the likely mix of insource / outsourced activities in the near future. It is intended that this will be a continual process as the mix of the fleet changes with the EV transition and new types of assets are introduced over time. **Responsibility:** Associate Director City Operations **Target Date:** Mid-Late 2025 (~+3 months from completion of workforce review)

PIO 2: Procurement and spending on consumables requires additional transparency

PIO

Observations	Recommendation(s)	Agreed Management Actions
The CoA's workshop operations have not undergone a thorough review of its expenditure profile; in particular the tracking of consumables spend. As a result, opportunities to improve the efficiency and financial sustainability of workshop operations may have been missed. The highest costs associated with the workshop is labour which was $1.4mil in the FY24 and consumables of $480K, with other minimal expenditure items. Stakeholder consultations outlined current limitations in the tracking of consumables and allocation to assets is due to: • Lack of system integration: Currently, there is an inability within TechnologyOne (Financial management system) to split invoices to multiple assets; and. • Usage of consumables and parts on the shop floor on a day-to-day basis may not necessarily always be accurately documented against assets. Additionally, review of the workshop consumables expenditure has also not been performed by the CoA's Procurement team. This oversight has potentially significant implications for the efficiency and financial sustainability of workshop activities. For labour hours the roll-out of Assetic has allowed the CoA to understand at the work order level how labour hours are being expended to enable tracking of effort against assets.	1. The CoA Procurement team to review how consumables are currently purchased including the existence of standing offers. 2. Explore methods of better tracking consumable and small parts spend within the workshop environment. (Note: this will likely add an additional admin burden on operational staff so any changes should consider the cost versus benefit of this monitoring.	1. Agreed. A review will be done to recommendation one to establish an understanding of current practices, making notes and observations on options for improvements. 2. This will then inform the approach to recommendation one and allow for relevant systems changes to incorporate any changes. **Responsibility:** Manager City Maintenance **Target Date:** 1 December 2025

Appendices

Appendix 1 – Scope of Work

Internal Audit Program 2024/2025: EV Transition for Workshop Operations

Background

In accordance with the 2024/2025 Internal Audit Plan for the CoA, an internal audit focused on the CoA's preparedness for the transition to EV, focused on workshop operations, was performed. The objective, scope and approach are outlined below.

Objective

The overall objective of this internal audit included a high-level assessment of workshop operations and identification of areas that may require adjustment to enable and to support a predominately EV-based fleet by 2030. The internal audit considered specific EV requirements and risks to the CoA based on the planned fleet transition as it pertains to workshop operations.

Scope of services

To address the overall objective above, the scope of this engagement included consideration of the following areas:

1. Understand at a high-level the CoA's current resourcing structure of workshop operations and consider relevant strategic plan(s) that may impact future resourcing requirements for the workshop.
2. High-level assessment of the following areas of the workshop operation and comment on adjustments required to support a predominately EV fleet by 2030. Areas of focus for review of the workshop operations included:
    a) Current staff qualifications and any necessary training.
    b) An overview of the physical facility's capabilities and modifications needed, including:
        i. Electrical Power needs.
        ii. Battery handling and disposal.
        iii. Fire suppression and safety.
    c) Evaluation of support and test equipment to ensure compatibility with EV requirements.
    d) Review of tasks currently conducted within the workshop to identify potential changes or upgrades.
3. Reviewed and assessed the clarity of roles, responsibilities and accountabilities within workshop operations.
4. Assessed the approval processes and key controls for workshop expenses including adherence to delegated authorities.
5. Conducted a high-level assessment to understand key pain points and opportunities for improvement to workshop operations.

Scope exclusions:

- Review of deployment and operations of an EV fleet.
- The review considered the workshop updates required for fleet and did not consider transition requirements for other items of plant.

Approach

This engagement was performed using the following approach:

- Review of documentation and systems in place including relevant plans, policies, procedures, guidelines and tools, including any completed costing projections on the planned EV transition.
- Consultation with relevant stakeholders to understand the current approach and processes in place over workshop operations.
- Conducted a site visit of the workshop (over two days) to understand existing facilities and equipment in place.
- 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 observations in this report.

Name	Role
Janet Crook	Team Leader, Corporate Governance & Legal
Annette Pianezzola	Risk & Audit Analyst
Noni Williams	Associate Director, City Operations
Scott Rodda	Manager, City Maintenance
Rada Sofranic	Lead, Business & Systems Analyst
Kevin Potter	Team Leader, Trades, Workshops & Facilities Services
Michael Hughes	Workgroup Leader Workshops
Aleta Gunn	Fleet Coordinator, Operations Support
Shaun Austin	Leading Hand Mechanic
Kirsty Omenzetter	Business Partner, Safety Systems and Wellbeing
Tracy Blaze	Senior Finance Business Partner City Services
Matthew Field	Manager, Park Lands & Sustainability
Andrea Bassett	Principal Climate Change Advisor
Simon Cope	Team Leader, Procurement & Contract Management
Bradley Wiseman	Strategic Procurement & Contract Advisor
Geoffrey Humphrey	Work Group Leader, Footpaths and Concrete
Sarah Wuttke	Asset Manager, Buildings
Ruochen Liu	Asset Planner, Buildings

Appendix 3 – Classification of Internal Audit Findings

The following framework for internal audit ratings is based on the CoA's risk assessment matrix.

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 (contd.)

The following framework for internal audit ratings is based on the CoA's risk assessment matrix.

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 4 – Disclaimer

Inherent Limitations

This report has been prepared as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been 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 entirely 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 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.

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 management and personnel consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is 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.

The findings in this report have been formed on the above basis.

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