

Internal Audit Plan Update

Friday, 13 June 2025

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

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Public

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EXECUTIVE SUMMARY

This report provides an update on the Progress Report of Council's Internal Audit Plan (2024-2025) that was considered by the Audit and Risk Committee on 16 May 2025.

Following receipt of the Progress Report in May, two audits have been identified as requiring deferral (IT Governance Framework and On-Street Parking) and therefore will result in an Amendment to the Internal Audit Plan (2024-2025).

In addition, this report also provides the Audit and Risk Committee with a summary of all Internal Audit Actions and compares it to the information provided in May.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the deferral of the IT Governance Framework and On-Street Parking internal audits as outlined in Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 13 June 2025.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 13 June 2025.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Outcome – Effective Leadership and Governance 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.
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 in accordance with 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 Internal Audit Plan 2024-2025 (the Plan) has been developed in response to Council's key strategic risks and priorities.
2. The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.
3. The Plan was approved by the Audit and Risk Committee (ARC) at its meeting on 14 June 2024.
4. The Plan is a risk-based program developed with the Council's Executive and Strategic Risk and Internal Audit Group (SRIA).
5. A status update on the Plan is provided at [Link 1](#)

Internal Audit Plan Update

6. ARC was advised at its meeting of 16 May 2025 of a proposal to amend the Plan through the deferral of two internal audits. The proposed deferrals have been discussed with Council's internal auditor KPMG and with SRIA.
7. The deferrals proposed are:
 - 7.1. **IT Governance Framework—KPMG**—Deferral proposed following advice from KPMG. KPMG consider similar findings will be identified to those in the previous TechnologyOne Post Implementation Review, which was presented to ARC at its meeting on 16 May 2025. Administration has committed to consider this internal audit as part of the Internal Audit Plan 2025 – 2028.
 - 7.2. **On-street Parking**—KPMG and SRIA discussed and noted that the intent of this internal audit concerns revenue controls. The overall revenue platform for collecting and recording revenue for on-street and off-street parking is the same platform, and was addressed as part of the KPMG internal audit on UPark Operations.

Internal Audit Actions

8. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Promapp.
9. The implementation status of recommendations is tracked and reported to ARC.
10. Updates following the ARC meeting on 16 May 2025 include:
 - 10.1. Administration reported there was a total of 14 high risk actions open. Since May, the 'finalisation of the procedures for the *Local Government Act 1999* (SA) 172, 173, 174' has been completed and there are now 13 high risk actions open.
 - 10.2. Administration reported that a total of 24 moderate risks were currently open. Since May, the 'initiate discussion and establish regular meetings with CoA and Fines Enforcement and Recovery Unit' has been completed. There have been 2 additional actions included from the Site Contamination Internal Audit report included as 'In Progress'. There are now 25 moderate risk actions open.
 - 10.3. Administration reported there was a total of 16 low risk actions open. Since May, the 'archiving of documents for Community Safety operations', 'implementation of effective communication process in an emergency by having diverse mobile phones and a collation of staff phone numbers' and 'development of a formal process for procurements valued under \$150,000' have been completed. There has been 1 additional action included from the Site Contamination Internal Audit report as 'In Progress'. There are now 14 low risk actions open.

- 10.4. Administration reported there was a total of 10 improvement opportunities actions open. Since May, the 'identification of types of Customer inquiries to be forwarded to the Community Safety team', 'review of the Asset Accounting Policy' and 'discussions with CoA and Department Infrastructure and Transport' have been completed. There has been 1 additional action included from the Site Contamination Internal Audit report as 'In Progress'. There are now 7 improvement opportunities actions open.
- 10.5. A summary of the status of actions is shown in the below table, and detail provided in [Link 2](#).

Risk	Definition	Complete	Overdue	In Progress	Total Open
High	Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives	1	5	8	13
Moderate	Issues represent a control weakness which could have or is having a moderate effect on the ability to achieve process objectives.	1	3	22	25
Low	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives	3	1	13	14
N/A	Improvement Opportunity	3	1	6	7
	Total	8	10	49	59

DATA AND SUPPORTING INFORMATION

[Link 1](#) – Internal Audit Plan 2024-2025 Status Update

[Link 2](#) – Progress of Agreed Actions Report

ATTACHMENTS

Nil

- END OF REPORT -