



Site Contamination Management

Internal Audit Report

The Corporation of the City of Adelaide (CoA)

May 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.



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Executive Summary

In accordance with the 2024/2025 Internal Audit Plan for the Corporation of the City of Adelaide (CoA), an internal audit focussing on site contamination management was performed. The objective, scope and approach are outlined below.

Objective

The objective of this internal audit was to assess the effectiveness and efficiency of the processes in place to identify, manage, and remediate contaminated sites. This included a review of key strategic documents, including the CoA's plans to manage and report on environmental metrics.

Scope of Services

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

- Evaluating the CoA's relevant policies and procedures that support compliance with key obligations of the Environment Protection Act 1993 (SA) and the Environment Protection Regulations 2023 (SA).
- Relevant roles and responsibilities are sufficiently defined, including the management of key obligations.
- Assessing relevant processes and key controls relating to the management of contaminated sites, including the following specific areas:
 - Identification and record keeping.
 - Ground disturbance¹ management for CoA activity.
 - Contaminated soil handling.
- CoA process over the identification of land contaminated by third parties and monitoring of remediation actions taken/to be taken by identified third parties.
- Reporting on the management and remediation of contaminated sites, including relevant environmental metrics.

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

¹ Ground Disturbance: Any work requiring a penetration into the ground surface. Examples of ground disturbance include trenching, excavations, post holes, soils borings, groundwater monitoring, well installation, scraping, digging borrow pits, and driving stakes.

Scope exclusions

- Land development applications processes and systems for contaminated sites.
- Land acquisitions due diligence system including processes relating to acquisition of contaminated sites.
- Management of groundwater contamination.
- Hygiene related issues of asbestos or other contamination.

Positive Observations

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

- **Collaboration with the EPA:** The CoA engaged with the SA Environment Protection Authority (EPA) to develop comprehensive *Site Contamination Policy and the Operating Guidelines*. These documents clearly define processes, roles and responsibilities, and provide references to legislative requirements.
- **Engagement with site contamination experts:** The CoA appropriately engages with external site contamination specialists to conduct site contamination tests, perform risk and remediation assessments and produce detailed reports.
- **Environmental Site History Register (ESHR) and dashboard:** The CoA has developed an ESHR and utilises a Power BI dashboard to monitor and manage the remediation status and locations of contaminated sites.

Summary of Findings

The number of findings identified during 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** section of this report. Classification of internal audit findings is detailed in **Appendix 5** of this report.

Critical	High	Moderate	Low	PIO*
-	-	2	1	1

*PIO: Performance Improvement Opportunity

Background

Historical Context and Recent Developments

Recent developments highlight the critical importance of adhering to rigorous site contamination management practises to prevent potential legal and environmental issues. In 2017, the CoA was penalised by the EPA for breaches related to the capping of the former Wingfield waste-landfill site, which had been closed in 2004 and sold in 2011. Despite the approval of a Voluntary Site Remediation Plan in 2012, the EPA alleged breaches of the original capping terms. This resulted in the CoA being found guilty and required to pay fines for the two violations.

Overview

Site contamination management is a crucial aspect of urban environmental stewardship of the CoA. Appreciating the legacy of site contamination enables residents, industry and governments to manage it collectively. This process involves the identification, assessment, and remediation of contaminated sites to ensure they are safe for current and future use. Effective management practises help to mitigate risks posed by pollutants such as heavy metals, hydrocarbons, and other hazardous substances that may have accumulated from historical industrial activities, improper waste disposal, or accidental spills.

Effective site contamination management plays a significant role in maintaining the city's liveability and environmental quality. Remediated sites can be repurposed for public amenities, residential developments, or commercial endeavours, thus contributing to economic growth. Additionally, by preventing the spread of contaminants to soil, groundwater, and surface water, the city can preserve its natural ecosystems and protect biodiversity.

Site Contamination Policy and Operating Guidelines

The CoA introduced a new Site Contamination Policy and Operating Guidelines in September 2024.

- The Site Contamination Policy supports the CoA to comply with site contamination laws. It clarifies the roles of the CoA, the EPA, site contamination practitioners, and other bodies in managing contamination, aligning with the EPA's guidance for landowners, developers, and the community.

Site Contamination Policy and Operating Guidelines (cont.)

- The Site Contamination Operating Guidelines provides a framework for managing site contamination in the CoA. They assist in identifying contaminated sites and determining necessary assessments, remediation, or audits, ensuring measures to prevent or minimize environmental harm.

Relevant Site Contamination Roles and Responsibilities

Given the complex nature of cascading responsibilities to key personnel in policies and operations, the Site Contamination Policy and Operating Guidelines provide clear guidance on the management of site contamination roles and responsibilities across various areas of the CoA.

Key roles across the CoA related to site contamination include:

Role	Responsibility
Associate Director Park Lands, Policy & Sustainability	Update Policy and Operating Guidelines and advise on contamination processes and procurement.
Associate Director, Infrastructure	Manage the ESHR and develop spatial data layer, support procedural contamination matters and liaise with the EPA and consultants.
Managers, Infrastructure Delivery, Technical Services and Infrastructure	Include site contamination in risk assessment, manage and update ESHR including spatial data layer and engage contamination experts and report incidents.
Project Managers (contracted by the CoA)	Engage contamination specialists/auditors (contractor), including, managing and reporting on contamination issues.
Associate Director, City Operations	Ensure onsite operations follow contamination guidelines and report any discovered contamination incidents.
Associate Director, Regulatory Services	Access the ESHR for development assessment and ensure adherence to planning conditions for contamination.
Associate Director, Strategic Property and Commercial	Manage property asset monitoring requirements and submit monitoring reports to Infrastructure team to update the ESHR.
Manager, Customer & Marketing	Advise community and respond to media on contamination issues.

Background

Key Obligations: Legal and Regulatory Framework

The *Environment Protection Act (SA) 1993* and the *Environment Protection Regulations (SA) 2023* outline key obligations that the CoA need to comply with. These laws require site owners, developers, and businesses to identify, assess, and manage contamination risks; key areas of note include:

- All parties must report contamination, conduct risk assessments, and follow remediation protocols, which may include soil removal, groundwater treatment, or contaminant stabilisation. Non-compliance can result in fines, penalties, or legal action.
- The EPA enforces these regulations, ensuring compliance through site assessments, cleanup oversight, and long-term impact monitoring.

The recently developed Site Contamination Policy and Operating Guidelines were developed in consultation with the EPA.

Engaging external site contamination specialists

The CoA has established a panel of certified and experienced site contamination consultants to support the CoA to manage contamination issues effectively.

The site contamination experts are required to:

- Provide advice on managing identified site contamination.
- Recommend actions, activities and processes to manage site contamination issues accordingly.
- Determine if land is fit for purpose.

Overall Process

The CoA has established the following three (3) step site contamination approach:

- 1. Assess:** The CoA begins by identifying the likelihood, nature, and extent of contamination on a site based on its intended use. This involves developing a Conceptual Site Model (CSM) during both the preliminary and detailed site investigation stages. The assessment process follows the tiered site assessment guidelines outlined in the *National Environment Protection (Assessment of Site Contamination) Measure 1999* (NEPM- Schedule A).
- 2. Remediate:** The next step is to treat, contain, remove, or manage chemical substances on or below the site surface. The goal is to eliminate or prevent harm to human health and safety, as well as to prevent environmental harm.

- 2. Remediate (cont.):** Effective remediation ensures that the site is safe for its intended use and minimizes any potential risks.
- 3. Endpoint:** Finally, the process is completed to ensure there is no longer a risk to human health or the environment for non-sensitive land use sites. An appropriately qualified person must submit a report stating that the site is safe, confirming that all necessary measures have been taken to address contamination concerns.

Environmental Site History Register

The CoA maintains an internal Environmental Site History Register (ESHR) to provide comprehensive information about Council-owned properties and private land within the CoA. Key aspects of the ESHR include:

- The ESHR is stored in the central records system (Content Manager) and can be accessed and updated by CoA employees. CoA employees are required to add any collected site contamination information to the ESHR.
- The ESHR includes historic land use information, details of sites with potentially contaminating activities, links to known documents held by CoA and the EPA, links to specific documents like audit and site testing reports and copies of relevant external reports.
- The ESHR also integrates a spatial data layer with data from stockpile soil test reports, waste soil classification details and management plans.
- Limited historic data in the ESHR, dating back only to 2001.
- The Associate Director, Infrastructure; the Associate Director, Strategic Property and Commercial; the Manager, Infrastructure Delivery; the Manager, Technical Services; and the Manager, Infrastructure Planning are responsible for managing and updating the ESHR.

Reporting

The CoA's Site Contamination Operating Guidelines define the following reporting tools for site contamination management:

- Remediation and Validation Reports (RVR), provided by site contamination experts.
- Interim Audit Advices (IAA).
- Site Contamination Audit Reports (SCAR).

In addition, the ESHR (refer above for further details) provides an overview over contaminated sites and status of remediation activities.

Summary of Findings

Internal Audit identified two (2) moderate, one (1) 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 outlined below. The classification of risk ratings in this report are based on the CoA's risk ratings (as shown in **Appendix 5**).



Rating	Ref #	Finding
Moderate	1	Limited integration of site contamination activities within the project management framework
Moderate	2	Limited ongoing monitoring of site-specific contamination obligations and recommendations
Low	3	Insufficient site contamination awareness training
PIO	4	Greater clarity required on thresholds to trigger site contamination risk assessment

Detailed Findings

Finding 1: Limited integration of site contamination activities within the project management framework

Moderate

Observations	Recommendation(s)	Agreed Management Actions
There is currently a lack of integration between the CoA's project management framework and site contamination management activity. The CoA has a project management framework in place that provides a structured approach to planning, executing and managing delivery of projects, however: - The newly introduced Site Contamination Operating Guidelines are not sufficiently incorporated into the current project management framework. This may lead to limited understanding of the need to consider potential site contamination and management activities performed during the project planning stage, such as early project phase risk assessments, testing and site assessment for financial and timeline planning activities prior to contract award. - Stakeholder meetings clarified that the current reactive approach to project site contamination management has historically led to an impact in meeting delivery timelines and budget overruns (e.g. Rymill Park remediation activities and recent stormwater drainage clearing work). - Recently, the CoA has implemented an ESHR to identify contamination on lands it manages. However, the current project management framework does not reference the ESHR. Additionally, due to the lack of ongoing training and awareness programs (refer Finding 3), project managers may not be aware of the need to consult and update the ESHR during the planning and completion stages, respectively. Potential Risks: - The failure to incorporate site contamination investigations at the early stages of the project lifecycle increases the risk of inconsistent site contamination management activities and a lack of proactive measures. - Reactive management approaches to site contamination may cause unexpected delays, adversely impacting project delivery schedules. <i>Continued on following page.</i>	1. Integrate Site Contamination Operating Guidelines into Project Planning: Ensure that the newly introduced Site Contamination Operating Guidelines are fully integrated into the project management framework. This can be achieved by updating the project management framework to include specific steps for site contamination investigations during the early stages of the project lifecycle. This will help in conducting proactive risk assessments and planning for potential site contamination issues before contract awards. 2. Leverage the existing site contamination data from the ESHR: To support Recommendation 1.1, ensure clear reference is made to the newly implemented ESHR to inform project planning and decision-making processes.	1. Agree, will include reference to the Site Contamination Operating Guidelines in the Design (Detailed Planning) Phase in the PMO System. Responsibility: Manager, PMO Target Date: 31 July 2025 2. Agree, will include reference to the ESHR in the Design (Detailed Planning) Phase in the PMO System. Responsibility: Manager, PMO Target Date: 31 July 2025

Finding 1: Limited integration of site contamination activities within the project management framework (contd.)

Moderate

Observations	Recommendation(s)	Agreed Management Actions
<i>Continued from previous page.</i> Potential Risks (cont.): - Without early identification and management of site contamination, remediation activities may require additional unplanned expenditure, leading to budget overruns or de-scoping of projects. - Failing to adhere to the <i>Site Contamination Policy</i> from the outset could result in non-compliance with regulations. - Increase in the likelihood of exposure to environmental and safety hazards to project personnel during implementation.	3. Conduct training and awareness activity: Provide training sessions and workshops for project managers and other key stakeholders to increase their awareness and understanding of the importance of site contamination management and how to effectively apply the guidelines. As required, identify key project managers and ensure regular communication and collaboration with these project managers to ensure they are informed and engaged in the site contamination management process. This can help in aligning expectations and promoting a proactive approach.	3. Agree, in conjunction with Recommendation 3 of Finding 3, training material will be developed by site contamination subject matter experts and the People team will assist in roll-out of the training material. Responsibility: Associate Director, Infrastructure and Associate Director, City Operations Target Date: 30 June 2026

Finding 2: Limited ongoing monitoring of site-specific contamination obligations and recommendations

Moderate

Observations	Recommendation(s)	Agreed Management Actions
The CoA does not actively monitor site-specific contamination obligations and recommendations identified in Environmental Management Plans (EMP) for parklands, and the ESHR lacks specific information on ongoing site contamination management requirements. The CoA utilise EMPs and Site Management Plans (SMPs) to manage and monitor sites to ensure that the risk from contamination remains at an acceptable level. The EMPs and SMPs currently: • Provide detailed guidelines on how a site should be controlled, outlining necessary measures to mitigate any environmental risks. • Typically include a set of "Minimum Future Management Controls," specifying ongoing and future actions required to maintain site safety. Additionally, the EMPs and SMPs are reviewed technically every five years to ensure their recommendations remain effective and relevant. It is acknowledged that the CoA does not currently have ongoing reporting requirements to the EPA borne from EMPs, and that recommendations/actions are for the purpose of guiding the CoA to be a responsible land manager. The EMPs and SMPs are linked to the ESHR and must be provided to contractors and onsite workers before commencing any works to ensure comprehensive understanding and compliance with the specified management protocols. However: • The CoA currently lacks formalised processes to monitor long-term site contamination obligations, implementation activity from temporary projects and to track recommendations included in EMPs and SMPs. • Stakeholder meetings highlighted that the maintenance work order system (work order examples: mowing, litter pick-up, garden maintenance, tree removals, ground pruning, irrigation repairs, etc.) is not linked to the ESHR or utilised to support ongoing management obligations as defined by EMPs. <i>Continued on following page.</i>	1. Establish a Monitoring Process: Develop a formalised process to monitor long-term site contamination obligations and track recommendations from EMPs and SMPs. This process should include regular reviews and updates to ensure compliance with ongoing obligations and recommendations. 2. Integrate Systems: Link the maintenance work order system with the ESHR to support ongoing management obligations. This integration will ensure that maintenance activities are informed by site contamination data and help in managing contaminated land effectively. 3. Improve Communication and Documentation: Ensure that all contractors and CoA onsite workers receive comprehensive EMPs and SMPs before commencing any work to maintain compliance and safety standards.	1. Agree. Responsibility Associate Director, Infrastructure Target Date: 30 June 2026 2. Agree. Responsibility: Associate Director, Infrastructure Target Date: 31 December 2026 3. With the implementation of Recommendation 2, work orders will identify where site contamination and other environmental considerations for a specific site are required. Change management activity will be conducted during and post that implementation to support roll-out. Responsibility: Associate Director, Infrastructure and Associate Director, City Operations Target Date: 31 March 2027

Finding 2: Limited ongoing monitoring of site-specific contamination obligations and recommendations (contd.).**Moderate**

Observations	Recommendation(s)	Agreed Management Actions
<i>Continued from previous page.</i> Better practice would dictate a formalised process to monitor long-term site contamination obligations and integrate the maintenance work order system with the ESHR to ensure informed and effective management of contaminated land. Additionally, regularly consulting with external site contamination experts will help identify potential risks and implement best practices for site contamination management. Potential Risks: • Without active monitoring of site-specific contamination obligations and recommendations in EMPs and SMPs, the CoA risks non-compliance with legal and environmental regulations. • Lack of monitoring and management can result in untreated or unresolved contamination spreading, posing serious health risks to the public, contractors, and CoA employees. • The absence of integrated processes between EMPs, SMPs, and the maintenance work order system may result in resources being misallocated, leading to incomplete or redundant work, and maintenance personnel might be uninformed about critical contamination risks during their activities.		

Finding 3: Insufficient site contamination awareness training

Low

Observations	Recommendation(s)	Agreed Management Actions
The CoA does not have a planned program for the ongoing delivery of specific site contamination training to key staff members. It was acknowledged that the CoA has recently updated the Site Contamination Policy and rolled-out Site Contamination Operating Guidelines to support this policy in September 2024. As part of a change management approach with the release of these new artefacts, a workshop was conducted in August 2024 with key personnel to discuss the new policies and procedures. Topics discussed during this workshop included: policy scope, site contamination management context, review process and consultations, management framework, responsibilities across the CoA and triggers and response actions. However: - No formal training or ongoing communication on these artefacts have been conducted since that initial workshop. - A training needs analysis was not conducted for key personnel that would be impacted by the newly introduced Site Contamination Policy and supporting guidelines. In addition, key site contamination competencies for relevant roles (e.g. project managers) was not defined. Stakeholder meetings highlighted that most project managers do not have a background in site contamination, underscoring the need for comprehensive training programs. Potential Risks: - Without specific site contamination training programs, key staff members may lack the knowledge and skills necessary to properly implement the updated Site Contamination Policy and Operating Guidelines. This may increase the risk of non-compliance with internal procedures and external regulations, resulting in legal and environmental liabilities. - Untrained staff may inadvertently mishandle contaminated sites, increasing the risk of exposure to hazardous substances for themselves, other workers, and the public. - Project managers and other key personnel without sufficient training in site contamination may be unable to effectively manage contamination risks, leading to delays, cost overruns, and suboptimal project outcomes.	1. Conduct a Training Needs Analysis (TNA): Perform a comprehensive TNA to identify the specific training requirements of key personnel impacted by the Site Contamination Policy and Operating Guidelines. 2. Establish competencies: To support Recommendation 1, determine the critical site contamination competencies needed for various roles, such as project managers, and tailor training programs accordingly. 3. Develop and Implement Formal Training Programs: Design and implement formal, ongoing site contamination training programs based on the outcomes of the TNA. Include training modules on policy scope, contamination management context, procedures, responsibilities, and emergency response actions. Refresher training should be conducted after the roll-out of the formal training program.	1. & 2. Agree, the business areas will define the list of training requirements for personnel. The Associate Director, People will facilitate discussions between the relevant business areas and monitor the implementation of the final training and competency requirements. Responsibility: Associate Director, Infrastructure and Associate Director, City Operations Target Date: 30 June 2026 3. Agree, this will be conducted as part of Recommendation 3 in Finding 1. Responsibility: Associate Director, Infrastructure and Associate Director, City Operations Target Date: 30 June 2026

PIO 1: Greater clarity required on thresholds to trigger site contamination risk assessment**PIO**

Observations	Recommendation(s)	Agreed Management Actions
The CoA does not quantify or define a threshold for ground disturbing activities that would trigger site contamination risk assessments. The absence of a clear threshold for ground disturbing activities leads to inconsistent practices due to the unclear requirements on when to request site contamination risk assessments. Better practice would include a risk-based ground disturbance permit or checklist to support consistent decision making that integrates the management of key risks associated with ground penetration, such as cultural heritage, biodiversity, underground utilities checks and site contamination.	1. Define threshold for ground disturbing activity: Establish a quantifiable threshold that triggers site contamination risk assessments. This threshold should be clearly defined and communicated to ensure consistent practices.	1. Not required as: • All project-related work will undergo appropriate site contamination risk assessments. • In the case of maintenance activity, and in consideration of the Management Response in relation to Finding 2, Recommendation 2, the work order system will check with the ESHR to identify if the respective areas has known site contamination risks.

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Appendix 1 – Scope of Work

Background

In accordance with the 2024/2025 Internal Audit Plan for the Corporation of the City of Adelaide (CoA), an internal audit focussing onsite contamination management was performed. The objective, scope and approach are outlined below.

Objective

The objective of this internal audit was to assess the effectiveness and efficiency of the processes in place to identify, manage, and remediate contaminated sites. This included a review of key strategic documents, including CoA's plans to manage and report on environmental metrics.

Scope of Services

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

- Evaluating the CoA's relevant policies and procedures that support compliance with key obligations of the Environment Protection Act 1993 (SA) and the Environment Protection Regulations 2023 (SA).
- Relevant roles and responsibilities are sufficiently defined, including the management of key obligations.
- Assessing relevant processes and key controls relating to the management of contaminated sites, including the following specific areas:
 - Identification and record keeping.
 - Ground disturbance¹ management for CoA activity.
 - Contaminated soil handling.
- General land management activities undertaken by the CoA, such as mulching, grass cutting and facilities management.

¹Ground Disturbance: Any work requiring a penetration into the ground surface. Examples of ground disturbance include trenching, excavations, post holes, soils borings, groundwater monitoring, well installation, scraping, digging barrow pits, and driving stakes.

Scope of Services (cont.)

- CoA process over the identification of land contaminated by third parties and monitoring of remediation actions taken/to be taken by identified third parties.
- Reporting on the management and remediation of contaminated sites, including relevant environmental metrics.
- Identifying gaps and provide recommendations of best-practice insights of site contamination management practices from similar organisations.

Scope exclusions

- Land development applications processes and systems for contaminated sites.
- Land acquisitions due diligence system including processes relating to acquisition of contaminated sites.
- Management of groundwater contamination.
- Hygiene related issues of asbestos or other contamination.

Approach

This engagement was performed using the following approach:

- Conduct a desktop review of relevant documentation.
- Conduct a maximum of seven (7) consultations with relevant key stakeholders to understand current site contamination management practices and compliance monitoring processes.
- Development of recommendations based on the work performed above.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.
- Preparation of an internal audit report including identified control gaps, and recommendations for strengthening controls and aligning to better practice.

Appendix 2 – Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the observations in this report.

Team	Name	Role
Asset Management	Simon Davis	Team Leader Asset Planning
Buildings	Rouchen Liu	Asset Planner, Buildings
City Maintenance	Scott Rodda	Manager, City Maintenance
Corporate Governance & Legal	Janet Crook	Team Leader, Corporate Governance & Legal (former)
Corporate Governance & Legal	Annette Pianezzola	Risk and Audit Analyst
Horticulture	Kevin Baker	Team Leader, Horticulture
Infrastructure	Mark Goudge	Associate Director, Infrastructure
Infrastructure	James Finnis	Project Manager
Infrastructure	Geoff Regester	Manager IDT
Park Lands, Policy & Sustainability	Sarah Gilmour	Associate Director, Park Lands, Policy & Sustainability
Park Lands, Policy & Sustainability	Matthew Field	Manager Park Lands & Sustainability
Project Management Office (PMO)	Michelle Arbon	Manager, PMO
Regulatory Services	Steve Zaluski	Associate Director, Regulatory Services
Strategic Project Management	Lee Sugars	Strategic Project Officer
Strategic Property and Commercial	Shaun Coulls	Manager, Strategic Property and Commercial
Strategic Property and Commercial	Mike Philippou	Associate Director, Strategic Property and Commercial
Urban Elements & Park Lands	Peter Young	Asset Manager Urban Elements & Park Lands
Asset Management	Simon Davis	Team Leader Asset Planning

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
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 the 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

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 the 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 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 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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