

Internal Audit Scopes

Friday, 6 February 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

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Public

Approving Officer:

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EXECUTIVE SUMMARY

The purpose of this report is to present the Audit and Risk Committee (ARC) with the following internal audit scopes for noting and feedback:

- Legislative Compliance Review;
- Strategic Risk Assessment and Alignment; and
- Strategic Planning, Governance and Organisational Reporting.

These internal audits are in accordance with the 2025-2028 Internal Audit Plan.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Legislative Compliance Review Internal Audit scope as contained in Attachment A to Item 6.2 on the agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:
 - 1.1. _____
 - 1.2. _____
2. Notes the Strategic Risk Assessment and Alignment Internal Audit scope as contained in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:
 - 2.1. _____
 - 2.2. _____
3. Notes the Strategic Planning, Governance and Organisational Reporting Internal Audit scope as contained in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:
 - 3.1. _____
 - 3.2. _____

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028	Strategic Alignment – Our Corporation
Strategic Plan	Outcome – Effective Leadership and Governance Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its functions legally, effectively and efficiently
Policy	Not as a result of this report
Consultation	The internal audit scopes were presented to the Strategic Risk and Internal Audit Group at its meetings on 13 November 2025 and 11 December 2025
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance
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, ensuring functions and services align Council processes to best practice standards
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 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
25/26 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. In 2025 BDO were appointed as the City of Adelaide's (the Council) Internal Audit partners.
2. Following BDO's appointment, Administration worked with BDO through a facilitated workshop to develop a 3-year Internal Audit Plan 2025-2028 (the Plan).
3. At the Strategic Risk and Internal Audit Group (SRIA) meeting on 13 November 2025, SRIA approved the Plan and recognised that this Plan is a rolling Plan which will be tested each year to ensure emerging priorities have been identified. Where necessary the Plan will be amended to focus on any new priorities.
4. At its Special Meeting held on 27 November 2025, the Audit and Risk Committee (ARC) noted the Internal Audit Plan, acknowledging SRIA's approval of the Plan and its rolling nature, including the ability to adjust audit priorities in response to emerging risks and organisational needs.
5. The Plan includes a number of internal audits (the Audit) that can be facilitated using council's resources.
6. Internal audits are performed, either in-house by the Risk and Audit Advisor or by BDO, Council's internal audit partners, or by a specialist external provider where required.
7. The Risk and Audit Advisor will focus on operational and transactional compliance audits. BDO will perform the strategic and compliance audits, where specialised skills and expertise are required. This approach ensures that appropriate assurance is provided to the Council including ARC in a way that achieves best value for money, leveraging our in-house and external capabilities where appropriate.
8. Each Audit has been identified as a risk mitigation to the Council's Strategic Risks.
9. These Audits are essential to ensure that the Council is complying with legislation, regulations and policies that govern our operations. The audits will look at the following key areas:
 - 9.1. Legal and Regulatory Compliance;
 - 9.2. Risk Mitigation;
 - 9.3. Reputation Protection;
 - 9.4. Operational Efficiency;
 - 9.5. Transparency and Accountability; and
 - 9.6. Support future decision-making.
10. To commence the internal audit program, the following Audits will be performed in quarter 3 of 2025/26:
 - 10.1. Legislative Compliance Review;
 - 10.2. Strategic Risk Assessment and Alignment; and
 - 10.3. Strategic Planning, Governance and Organisational Reporting.

Legislative Compliance Review

11. The Legislative Compliance Review Internal Audit is to be performed by the Council's Risk and Audit Advisor, in accordance with the Plan. The scope can be found in Attachment A.
12. The Legislative Compliance Review Internal Audit scope for 2025/26 will focus on the ongoing assessment of Council's legislative compliance work plan.

Scope

13. The scope was presented to SRIA at its meeting on 13 November 2025 with options for relevant Acts / Charters to be reviewed as part of the ongoing Legislative Compliance Internal Audits, which are performed annually.

14. At its meeting on 13 November 2025, SRIA approved the following Legislative Compliance Internal Audits to be reviewed as part of the Plan:
 - 14.1. *Automated External Defibrillators (Public Access) Regulations 2024*
 - 14.2. *Kadaltilla Charter and Adelaide Park Lands Act 2025*
 - 14.3. *Local Government (Procedures at Meetings) Regulations 2013*
 - 14.4. *State Records Act 1997*.
15. The Risk and Audit Advisor will focus on one Legislation Compliance Internal Audit at a time. Following the completion of the Audits a draft report will be discussed with the relevant stakeholders and the Associate Director Governance & Strategy regarding agreed management actions and the factual accuracy of the findings.
16. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to the Committee.

Strategic Risk Assessment and Alignment

17. The Strategic Risk Assessment and Alignment Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment B.
18. The objective of this Audit is to review, evaluate, and assess the strategic risks impacting the CoA operations and long-term objectives to ensure alignment with organisational goals.
19. SRIA considered the audit scope with BDO at the SRIA meeting on 11 December 2025. The scope was endorsed at this time by SRIA.

Scope

20. The scope as detailed in Attachment B will evaluate whether strategic risks are clearly linked to organisational objectives, appropriately rated, and aligned with the Plan.
21. It will also consider the effectiveness of governance and monitoring arrangements supporting strategic risk management and identify opportunities to strengthen integration between strategic risks, corporate planning, and assurance activities.
22. In addition, the Audit will review past internal audits to assess their continued relevance and alignment with the updated strategic risk register, ensuring the Plan remains risk-based and reflective of current strategic priorities.
23. This Audit will be undertaken in consultation with Administration. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
24. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to the Committee.

Strategic Planning, Governance and Organisational Reporting

25. The Strategic Planning, Governance and Organisational Reporting Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment C.
26. The objective of this internal audit is to assess the adequacy of strategic and business planning, implementation, management and reporting processes to meet Council's strategic objectives, including delivery of strategic projects, with a focus on identifying improvement opportunities and aligning priorities and council resources.

27. SRIA considered the audit scope with BDO at the SRIA meeting on 11 December 2025. Following discussions between BDO and SRIA, it was determined that BDO would refine the scope and consider how CoA's corporate strategies interlinked including indicative costings of each strategy.

Scope

28. The scope as detailed in Attachment C will assess the design and effectiveness of the Council's strategic planning, governance, and reporting frameworks.
29. The review will examine how strategic objectives are developed, implemented, monitored, and reported, including the alignment of reporting arrangements with the corporate strategy and strategic risk management.
30. It will also consider the effectiveness and appropriateness of key reporting processes, including those relating to subsidiaries, and identify opportunities to enhance the transparency, consistency, and quality of organisational reporting.
31. This Audit will be undertaken in consultation with Administration. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
32. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to the Committee.
33. The Committee are asked to review the attached scopes and provide feedback where required.
34. Any feedback received provided by the Committee will be assessed and incorporated into the scopes where appropriate.

ATTACHMENTS

Attachment A – Legislative Compliance Internal Audit Scope

Attachment B - Strategic Risk Assessment and Alignment Scope

Attachment C - Strategic Planning, Governance and Organisational Reporting Scope

- END OF REPORT -