Project Title:	**Strategic Planning, Governance and Organisational Reporting**
Project Contact:	**Rebecca Hayes, Associate Director, Governance & Strategy**
Project Objective:	The objective of this project is to assess the adequacy of strategic and business planning, implementation, management and reporting processes to meet City of Adelaide's (CoA) strategic objectives, including delivery of projects, with a focus on identifying improvement opportunities and aligning priorities and council resources.
Scope & Approach:	This internal audit will assess the design and effectiveness of the Council's strategic planning, governance, and reporting frameworks, assessing maturity based on contemporary best practice and applicable legislative requirements (i.e. Local Government legislation) **(Appendix 1)**. The review will examine how strategic objectives are developed, implemented, monitored, and reported, including the alignment with the budget development and prioritisation process. It will also consider reporting arrangements with the corporate strategy and strategic risk management. 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.

Phase 0: Project Kick Off and Planning

Project Kick Off and Planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of any issues and scope exclusions, outlining our information requests and commencing access to relevant documentation.

An initial kick off meeting will confirm roles and responsibilities, introduce CoA representatives and the BDO team and confirm contact details of nominated engagement personnel. The following staff and business areas are anticipated to be involved:

- Lok Chiu – Manager Strategy, Planning & Engagement
- Michael Mallamo – Coordinator Strategic Planning
- Michael Terizakis – Coordinator Corporate Planning
- Amritha Perera – Coordinator Corporate Planning
- Michelle Arbon – Manager Project Management Office
- Charlotte Oldfield – Manager Council Governance
- Rebecca – Associate Director Governance and Strategy
- Kathryn Goldy – Manager - Governance
- Annette Pianezzola – Risk and Audit Analyst

Phase 1: Process Discovery

▶ Obtain and review CoA's Strategic Plan 2024-2028 and associated Strategy and/or Business Plans, strategic and business planning framework, governance and performance reporting framework/templates, stakeholder engagement policy/plan and any other relevant documentation

▶ Conduct interviews with nominated CoA representatives to gain an understanding of the key processes and systems used in strategic and business planning, financial sustainability assumptions, integration with budget development and project prioritisation, implementation, monitoring and management processes, as well as governance and performance reporting structures/process and stakeholder engagement processes (as appropriate)

▶ Identify the key strengths of the strategic and business planning framework, and where and how there is congruence throughout, leading to an alignment of resources towards achieving Council's strategic objectives

▶ Identify the key risk areas within the strategic and business planning processes.

▶ Document CoA's strategic and business planning processes (at a high-level) with a focus on planning, financial sustainability assumptions, project prioritisation, implementation, monitoring and management processes, as well as governance and performance reporting structure/process and stakeholder engagement processes (as appropriate).

Phase 2: Assessment of Process Adequacy

This phase will incorporate the following 2 stages:

2a - Adequacy Assessment and Risk/Control Gap Analysis

▶ Assess the alignment of CoA's Strategic Plan 2024-2028 and associated Strategy and/or Business Plans, strategic and business planning framework, governance and performance reporting framework/templates, stakeholder engagement policy/plan and any other relevant documentation with CoA's strategic direction, government policy impacts and general good business practices

▶ Conduct a control gap analysis and assessment of the design of strategic and business planning processes, with particular focus on:
  – Compliance with CoA's strategic and business planning framework and performance reporting framework

– The design and effectiveness of controls within the strategic and business planning processes, including planning, financial sustainability assumptions, identification of actions/projects/initiatives needed to execute the Strategic Plan and their budget considerations and prioritisation, allocation of responsibility, risk management, implementation, monitoring and management processes, as well as governance and performance reporting structure/process, including centralised and decentralised reporting and stakeholder engagement processes (as appropriate).

► Based on the control gap analysis and assessment, identify areas requiring improvement from a control and/or process improvement perspective

► Agree areas that require specific 'walkthroughs' and/or 'testing'.

2b – Walkthroughs and Testing

► In consultation with CoA representatives, select a sample of strategic objectives from the Strategic Plan 2024-2028 to test:

– Alignment with Strategy and/or Business Plans and governance/performance reporting framework

– Effectiveness of the action/project/initiative prioritisation, allocation of responsibility, implementation, application of financial sustainability assumptions, risk management, monitoring, management and reporting processes and stakeholder engagement process (as appropriate)

► For a sample, review strategic and business planning governance/performance reporting documentation to assess process effectiveness

► Based on the results of 'walkthroughs'/'testing', and reference to good business practices, identify areas requiring improvement from a control and/or process improvement perspective.

Phase 3: Process Improvement

► Hold preliminary discussions with CoA representatives to confirm accuracy of audit findings

► Work with CoA's representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities.

Phase 4: Report Results

► Prepare a summary of findings providing CoA with recommendations for enhancing processes, policies and procedures

► Hold closing meetings with CoA representatives regarding audit outcomes

► Prepare draft report and provide to CoA representatives for management comments

► Finalise report.

| **Timeframe:** | Project delivery by end March 2026. |

Project Resources:	The project resourcing for this engagement is to be confirmed.
	The estimated total cost to complete this project is $30,000 - $35,000 (GST exclusive).
	Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.
Prepared by:	BDO
Agreed by:	

Peter Horsman – Partner BDO

  XX / XX /2025

Rebecca Hayes – Associate Director, Governance & Strategy

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Appendix 1: Best Practice & Maturity Model

Legislative & Sector Frameworks

The assessment of City of Adelaide's strategic planning, governance, and reporting is anchored in the following legislative and sector "best practice" frameworks:

- South Australia Local Government Act 1999, s122: Requires councils to adopt integrated strategic management plans, including measurable objectives, financial sustainability, and regular reviews.
- South Australia Local Government Act 1999, s48: Sets prudential requirements for major projects, ensuring due diligence and robust governance.
- LGA SA Integrated Strategic Management Planning Guidelines (2022): Sector guidance on planning frameworks, resourcing, and reporting cycles.
- Other State Frameworks: NSW Integrated Planning & Reporting (IP&R); WA Integrated Planning & Reporting (IPR); VIC Integrated Strategic Planning & Reporting Framework (ISPRF); QLD Local Government Regulation 2012 (corporate/operational plans, LTFP, AMP).
- Observed Practices in SA Local Government (ESCOSA, 2025): Recent sector-wide review of asset, financial, and risk practices.

CoA Strategic Planning Maturity Model

The following maturity model is tailored for City of Adelaide, drawing on legislative requirements, sector guidance, and public-sector frameworks. It is structured around key dimensions, each assessed on a 5-level scale:

PROJECT BRIEF

Dimension	Level 1 Ad hoc	Level 2 Emerging	Level 3 Defined	Level 4 Integrated	Level 5 Optimised
Strategy & Approval	No documented strategic plan; reactive decisions; minimal compliance evidence	Strategic plan exists but siloed; approved by Council; limited integration with other strategies	Strategic plan formally adopted; integrated with other strategies; consultation documented	Strategy co-designed with community; aligned to regional/state plans; structured adoption cycle	Strategy iteratively refined using outcomes data; rolling refresh; deliberative engagement
Cascading Plans	No linkage between strategy and operations; service plans absent	Some directorate plans exist; inconsistent alignment to strategy	Corporate/business plans cascade objectives, actions, budgets; service standards defined	All services have plans with demand forecasts, workforce and asset implications	Plans continuously optimised using predictive analytics and performance data
Objectives & Indicators	Objectives vague; no measurable targets; no baselines	Some SMART objectives; limited KPIs; baselines in select areas	Objectives measurable; targets set; indicators aligned to ISO 37120 domains	Quantified targets across short/medium/long term; benefits profiles defined	Fully SMART objectives; benchmarking; longitudinal trend analysis; ISO 37101 sustainability embedded
Governance & Implementation	No formal governance; unclear roles; risks unmanaged	Basic project governance; risk registers exist but inconsistent	Portfolio/program governance defined; stage gates; risk management embedded (ISO 31000)	Central portfolio office assures benefits, risk, and gating; enterprise risk tracked	Adaptive governance; benefits realisation linked to community outcomes; explicit risk appetite
Reporting & Data	Irregular narrative reporting; no dashboards	Quarterly or half-year reports in some areas; limited KPIs	Quarterly performance reports; dashboards; link to Delivery Program/Operational Plan	Integrated dashboards; public reporting aligned to legislative frameworks	Open data portals; machine-readable reporting; robust data governance

Dimension	Level 1	Level 2	Level 3	Level 4	Level 5

PROJECT BRIEF

	AdHoc	Emerging	Defined	Integrated	Optimised
Change Management	Engagement ad hoc; mostly "inform"; no structured approach	Engagement plans for major projects; Some approval processes for change defined	Feedback loops documented; Clear approval processes & consultation defined for changes to plans/objectives	Embedded engagement; adoption/readiness metrics tracked; tailored for diverse communities	Continuous engagement; empowerment on selected decisions; visible feedback loops
Costing & Approvals	No standard business case; approvals informal; prudential requirements ignored	Business case template used for major projects; prudential triggers recognised	Formal business case standards; prudential policy adopted; independent reviews above thresholds	Stage-gated approvals; indexed thresholds; audit committee oversight	Whole-of-life costing; option analysis; climate/resilience impacts; independent assurance
Continuous Improvement	No post-implementation reviews; lessons lost	Occasional PIRs; audit findings not systematically tracked	PIRs and audits feed improvement register; risk insights inform planning	Independent reviews refresh governance frameworks; audit recommendations tracked	Continuous maturity reassessment; external evaluations; lessons closed out