

# Internal Audit Progress Report

**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

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee (ARC) last received an Internal Audit Progress Report at its meeting on 14 November 2025.

Sixteen actions have been completed since November 2025.

Currently, there are thirty open actions of which six are overdue.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities.

This report details the Council's current Internal Audit Actions. which includes information about:

- Internal Audit Actions that have been completed since the last Internal Audit Progress report to ARC in November 2025;
- Extensions granted by the Chief Executive Officer for the completion date of Internal Audit Actions;
- The number and status of Overdue Actions; and
- A summary of the status of all Internal Audit Actions.

## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

# IMPLICATIONS AND FINANCIALS

	<b>Strategic Alignment – Our Corporation</b>
City of Adelaide 2024-2028 Strategic Plan	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	Delays in completing internal audit actions can expose an organisation to operational, financial, compliance, and reputational risks by allowing control weaknesses to persist. It can also undermine accountability, damage stakeholder confidence, and negatively impact organisational culture.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to an area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
25/26 Budget Allocation	\$250,000 is budgeted for external consultancy support in accordance with the 2025-26 internal audit program.
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. The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.
2. The Audit and Risk Committee (ARC) receives all Internal Audit reports. It reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor, other external providers and in house advice.

## Internal Audit Actions

3. All recommendations arising from the Internal Audit and Strategic Reviews are reported to the Strategic Risk and Internal Audit Group (SRIA).
4. All recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager (Promapp).
5. The implementation status of recommendations is tracked and reported to SRIA and ARC.

## Completed Actions

6. Sixteen internal audit recommendations from previous Audits have been completed since November 2025. These completed recommendations are outlined in the table below:

No	Internal Audit ID	Audit Title
1	I00670	Essential 8 Maturity Assessment
2	I00711	Workforce Planning and Staff Retention
3	I00865	Data Protection and Privacy
4	I00866	Data Protection and Privacy
5	I00874	Culture Survey Review
6	I00906	Lease Management
7	I00910	Lease Management
8	I00912	Lease Management
9	I00923	Archives
10	I00951	Electric Vehicles Transition for Workshop Operations
11	I00952	Electric Vehicles Transition for Workshop Operations
12	I00953	Electric Vehicles Transition for Workshop Operations
13	I00958	TechnologyOne Post Implementation Review
14	I00970	Council Administration Expenses
15	I00977	Paid Parking Review
16	I00979	Paid Parking Review

7. Thirty recommendations are currently in progress.

## Extensions

8. All requests for an extension of a due date for completion of an Internal Audit Action require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted.
9. Since the last report to ARC in November 2025, seven actions have been approved for an extension. Those actions and the rationale for their extension are listed below in the table:

No	Internal Audit Actions	Rationale for Extension	Original Due Date	Revised Due Date
1	I00905 – Lease Management Provide respective teams 'read-only' access to the debtor module in Pathway and commence sending statements.	The action has since been reassigned to the Manager, Rates & Receivables, for review and action. CEO has approved the extension.	31 December 2025	30 June 2026
2	I00907 – Lease Management Investigate the use of the accounting module within Progensis	Relevant actions involve work led by other parts of the organisation, which are yet to be resolved (i.e. Finance and ACMA, Progensis expansion, TechOne interface, accounting module).	31 December 2025	30 June 2026
3	I00908 – Lease Management Finalise the review and update of the Policy and Operating Guidelines for the Park Land Leases	The review of the Policy has been ongoing, with multiple touchpoints with Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) and Council, including public consultation on a draft Policy in 2022 and workshops with Council Members in 2023, 2024 and 2025. Much of the deliberation surrounding the Policy has focused on community buildings, leading to the development and adoption of an Adelaide Park Lands Community Buildings (Sport and Recreation) Policy.	31 December 2025	31 August 2026
4	I00913 – Lease Management Investigate the opportunity to expand Progenesis to utilise the system to its fullest potential as a property management system.	Relevant actions involve work led by other parts of the organisation, which are yet to be resolved (i.e. Finance and ACMA, Progensis expansion, TechOne interface, accounting module). The final action is dependant on the implementation of Progensis prior to training occurring.	31 December 2025	30 June 2026
5	I00914 – Fraud Prevention Develop and implement comprehensive training for hiring managers to ensure consistent adherence to approved recruitment practices.	The recruitment team have now conducted hiring manager workshops for the LRD hiring managers. We are currently developing additional resources and working on developing recruitment / hiring manager training workshops for CoA wide, however we will require an extension for this piece of work to be rolled out across CoA.	30 November 2025	31 May 2026
6	I00957 – TechnologyOne Post Implementation Review Conduct a comprehensive review of Accounts	The action has since been reassigned to the Manager, Rates & Receivables, for review and action.	31 December 2025	30 June 2026

No	Internal Audit Actions	Rationale for Extension	Original Due Date	Revised Due Date
	Receivable integration with the CoA's IT ecosystem and identify key issues, deficiencies and manual workarounds currently being conducted.			
7	I00981 – Record Keeping 2025  Review and confirm if the documents are required to be saved in Content Manager for the identified Sharepoint / Team sites.	Working through all the documents (over 1,000 documents in total) and majority have been transferred across to Content Manager. An extension requested to complete remaining documents.	31 December 2025	28 February 2026

### Overdue Actions

10. Six actions have become overdue since the last update to ARC on 14 November 2025.
11. The new overdue actions are related to the following internal audit:
  - 11.1. I00973 – Legislative Compliance 2025
12. Two overdue actions have been completed since November 2025. The status on all currently overdue actions is provided in the table below:

Internal Audit ID	Audit Title	Status
I00679	Asset Inspection	In progress, due for completion 30 June 2026
I00757	Review of the Adelaide Economic Development Agency	In progress, due for completion 30 November 2026
I00835	Post Audit Implementation Review	In progress, due for completion 30 June 2026
I00838	Post Audit Implementation Review	In progress, due for completion 31 December 2026
I00841	Local Government Security Framework	In progress, due for completion 30 April 2026
I00973	Legislative Compliance 2025	In progress, due for completion 30 November 2026

13. A summary of the status of actions is shown in the below table, with the Agreed Action Progress Report accessed via [LINK 1](#).

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.	2	4	5	9
Moderate	Issues represent a control weakness which could have or is having a moderate effect on the ability	6	1	8	9

Risk	Definition	Complete	Overdue	In Progress	Total Open
	to achieve project objectives.				
Low	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	3	1	7	8
N/A	Improvement Opportunity	5	0	4	4
	<b>TOTAL</b>	<b>16</b>	<b>6</b>	<b>24</b>	<b>30</b>

## DATA AND SUPPORTING INFORMATION

[Link 1 – Agreed Actions Progress Report](#)

## ATTACHMENTS

Nil

- END OF REPORT -