Internal Audit Report - Strategic Planning, Governance and Implementation Review

Wednesday 23 September 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

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Public

Approving Officer:
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EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with the Strategic Planning, Governance and Implementation Review Internal Audit Report. The Internal Audit was performed by BDO, in accordance with the Internal Audit Plan 2025 – 2026 (the Plan).

The Terms of Reference of the Audit and Risk Committee includes responsibility for receiving full reports, monitoring and reviewing the Plan and Internal Audit Projects.

The scope of this internal audit examined how strategic objectives are developed, implemented, monitored, and reported, including the alignment with the budget development and prioritisation process. It also considered reporting arrangements with the corporate strategy and strategic risk management and the effectiveness and appropriateness of key reporting processes, including those relating to subsidiaries, to identify opportunities to enhance the transparency, consistency, and quality of organisational reporting.

BDO assessed the adequacy and maturity of Council's strategic planning, governance and organisational reporting practices using BDO's Strategic Planning Maturity Assessment Model. The model was tailored to reflect Council's operational environment and legislative requirements. The maturity model comprises eight domains directly relevant to strategic planning, governance and reporting.

BDO evaluated the overall effectiveness of Council's strategic planning, governance and organisational reporting is supported by established governance structures, a formally adopted suite of strategic planning documentation supported by subordinate strategies, and regular tracking/reporting against strategy objectives. They consider Council demonstrates an average maturity rating of 'Level 3 –Defined' across the eight identified domains.

Within the assessment, three recommendations are rated as long term, eight are rated as medium term recommendations, and three are rated as short term. Eight improvement opportunities were identified.

BDO notes the opportunity exists for Council to lift its maturity to 'Level 4 – Integrated', primarily by introducing Executive-endorsed strategic planning and performance reporting frameworks to ensure consistency in the approach to strategic planning across the Council, particularly the subordinate strategies, which are currently developed and managed by relevant portfolios. Furthermore, whilst BDO acknowledge that Council has met the strategic planning requirements of the *Local Government Act 1999*, they note the current strategic planning cycle is limited to four years. As such, BDO considers that to provide Council with a clear direction and purpose over the long term, they recommend the extension to a 10+ year approach with the addition of a Corporate Plan and Community Plan, to be developed in collaboration with community stakeholders.

This report requests that the Audit and Risk Committee note the report and endorse the administration responses.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Strategic Planning, Governance and Implementation Review Internal Audit report as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.
2. Endorses the responses of the Administration to the Strategic Planning, Governance and Implementation Review Internal Audit Report as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 23 September 2026.

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 enables Council to ensure it is performing its function legally, effectively and efficiently.
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	Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its function legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses on compliance, risk management and improvement opportunities. Audits suggest a range of improvement opportunities related to the area being received, enhancing functions and services and aligning Council processes to best practice standards.
26/27 Budget Allocation	Not as a result of this report
Proposed 27/28 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
26/27 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 2025 – 2026 (the Plan) for the City of Adelaide (CoA) was developed in response to Council's key strategic risks and priorities.

2. The Strategic Planning, Governance and Implementation Review Internal Audit Report (Attachment A) was performed by BDO, in accordance with the Plan, assessing the design and effectiveness of the Council's strategic planning, governance, and reporting framework.

3. The audit best aligns with the identified Strategic Risks:

   3.1. Stakeholder Management: Our management of relationships and partnerships with external stakeholders is ineffective.

   3.2. Governance: Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage.

Report

4. The objective of this project was to assess the adequacy of strategic and business planning, implementation, management and reporting processes to meet CoA's strategic objectives, including delivery of projects, with a focus on identifying improvement opportunities and aligning priorities and council resources. The BDO internal audit was guided by a maturity model which was used to assess CoA's current state.

5. The overall effectiveness of CoA's strategic planning, governance and organisational reporting is supported by established governance structures, formally adopted suite of strategic planning documentation (supported by subordinate strategies), and regular tracking / reporting against strategy objectives. CoA demonstrates an average maturity rating of 'Level 3 – Defined' across the eight domains.

6. Key findings of the BDO internal audit, summarised below include that:

   6.1. CoA should move toward a 10+ year Community Plan, a 10+ year Corporate Plan, a clearer long-term community vision, and an Executive-endorsed strategic planning framework

   6.2. Reporting improvements suggest formally endorsing a performance reporting framework, addressing complexity of reporting arrangements, consistent reporting of some subordinate strategies, and consistently quantifying performance measures.

   6.3. The findings of the internal audit include the following recommendations:

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
1. Strategy and Approval	3	Medium	1.1 Review and rationalise the Strategic and Corporate Planning Approach, including consideration of a long-term vision for CoA via the 10+ year Community Plan and 10+ year Corporate Plan and suggestions noted in Recommendations 4.1, 6.1, 8.1 and the Improvement Opportunities.	30 June 2027
		Medium	1.2 Following the new Council election, present the finalised Strategic and Corporate Planning Approach to Council, to engage members in the long-term vision approach to strategic planning, incorporating community engagement	30 September 2027

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			activities to inform the Community Plan and Corporate Plan.	
		Medium	1.3 Subject to Council approval, undertake preparations for the development of the 10+ year Community Plan and 10+ year Corporate Plan to inform the next Strategic Plan, LTFP, City Plan and AMPs and subordinate plans	December 2027
2. Cascading Plans	3	Long	2.1 Following the Council election, review and rationalise the subordinate strategies to ensure alignment with the newly adopted Strategic and Corporate Planning approach.	30 June 2028
		Medium	2.2 Adopt a holistic approach to the development of subordinate strategies, ensuring that strategic projects are driven by the subordinate strategy objectives, over the life of the subordinate strategy, not just on an annual basis.	September/ December 2027
		Long	2.3 Develop an integrated 4-year upgrade and renewal project plan, built from the Strategic Plan, which is reviewed and updated on a year–by-year basis through the annual BP&B process.	30 June 2028
3. Objectives and Indicators	3	Medium	3.1 In developing the 2026-2030 Strategic Plan seek to quantify the Indicators of Success/Measures/Targets in the Strategic Plan 2024-2028 and commitments in the associated subordinate strategies.	September 2027
4. Governance and Implementation	3	Short	4.1 As part of the review of the Strategic and Corporate Planning Approach consider adopting consistent strategic planning and reporting frameworks for the development and reporting of all subordinate strategies (refer Recommendation 1.1).	March 2027
		Medium	4.2 Embed formalised risk management processes in the development of future subordinate strategies.	September 2027
5. 5. Reporting and Data	2.5	Long	5.1 Continue with the development of the Strategic and Corporate Framework Reporting Approach, considering the reporting template from the Parklands, Policy and Sustainability portfolio and the suggestions in the Improvement Opportunities section. This Approach can then be rolled out across all subordinate strategies, including Integrated Transport Strategy	30 June 2028
6. Change Management	2.5	Short	6.1 In reviewing the Strategic and Corporate Planning Approach, ensure change management processes and	March 2027

Assessment	Current State of Maturity (out of 5)	Term	Recommendation	Target Date
			protocols are included (refer Recommendation 1.1).	
7. Costing and Approvals	3	Medium	7.1 Prioritise the investigation of a planning, project management and reporting system to enable benefits to be realised in the 2026-2030 strategic planning cycle.	30 June 2027
		Medium	Consider a holistic approach to costing of strategic initiatives, ensuring inclusion of key BAU operating activities relevant to the delivery of the upcoming Strategic Plan for and associated subordinate strategies.	30 June 2027
8. Continuous Improvement	2.5	Short	8.1 In reviewing the Strategic and Corporate Planning Approach, ensure continuous improvement processes and protocols are included (refer Recommendation 1.1).	March 2027

7. Administration has considered the findings and provided actions and time frames to address these findings (outlined in the current state assessment and recommendations section of the BDO's Strategic Planning, Governance and Implementation Review Internal Audit Report, **Attachment A**).

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Strategic Planning, Governance and Implementation Review Internal Audit

- END OF REPORT -