



AUDIT AND RISK COMMITTEE

Agenda and Reports

for the meeting on

Friday, 14 August 2026

at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

© 2026 City of Adelaide. All Rights Reserved.

Our Adelaide.
Bold.
Aspirational.
Innovative.

AUDIT AND RISK COMMITTEE
Meeting Agenda, Friday, 14 August 2026, at 9.00 am

Membership	The Lord Mayor (ex-officio) 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	3
Presiding Member	Mark Davies
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Councillor Janet Giles John Jovicevic

Agenda

Item	Pages
1. Acknowledgement of Country	
At the opening of the Audit and Risk Committee meeting, the Presiding Member will state:	
‘The City of Adelaide acknowledges the Kaurna People of the Adelaide Plains as the Traditional Custodians of the land on which we meet today.	
We acknowledge and honour their spiritual and cultural stewardship of this Country and recognise their deep and enduring relationship with its lands, waters, the sky, and all living things.	
We pay our respects to Kaurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.’	
2. Apologies and Leave of Absence	
Nil	
3. Confirmation of Minutes	
That the Minutes of the meeting of the Audit and Risk Committee held on 12 June 2026, be taken as read and be confirmed as an accurate record of proceedings.	
View public 12 June 2026 Minutes here .	
4. Declaration of Conflict of Interest	
5. Presiding Member Reports	
6. Reports	
6.1 Strategic Internal Audit Plan	4 - 29
6.2 Internal Audit Scope	30 - 37
6.3 2026/27 to 2035/36 Long Term Financial Plan - Draft for Public Consultation	38 - 78
6.4 Internal Audit Report - Strategic Risk Assessment and Alignment	79 - 128
6.5 Presiding Member's Annual Report	129 - 134
7. Emerging Key Risks	
8. Independent Member Discussion	
9. Other Business	

- | | | |
|------------|---|-----------|
| 10. | Exclusion of the Public | 135 - 136 |
| | <p>In accordance with sections 90(2),(3) and (7) of the <i>Local Government Act 1999 (SA)</i> the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 11 of this Agenda.</p> | |
| 11. | Confidential Item | |
| | 11.1 Activity of Strategic Risk and Internal Audit Group [S90(3) (i)] | 137 - 150 |
| 12. | Closure | |

Strategic Internal Audit Plan

Strategic Alignment - Our Corporation

Public

Friday, 14 August 2026

Audit and Risk Committee

Program Contact:

Rebecca Hayes, Associate

Director Governance & Strategy

Approving Officer:

Anthony Spartalis, Chief

Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to present the proposed 2027-2029 Internal Audit Plan for the City of Adelaide.

Noting the objectives of the City of Adelaide Strategic Plan 2024-2028, Council's Strategic Risk and Internal Audit Group (SRIA) together with Council's appointed Internal Auditors, BDO, have reviewed the City of Adelaide's 2026-2029 Internal Audit Plan.

The draft 2027-2029 Internal Audit Plan is provided to the Audit and Risk Committee for noting and feedback.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE ADVISES COUNCIL

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft 2027-2029 Internal Audit Plan report on the Agenda for the meeting of the Audit and Risk Committee held on 14 August 2026.
2. Notes the draft 2027-2029 Internal Audit Plan as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 14 August 2026 and provides the following feedback:
 - 2.1. _____
 - 2.2. _____

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate and facilitator by maintaining a transparent decision-making process. 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	Alignment with the City of Adelaide Risk Management Operating Guideline.
Consultation	The internal audit plan was presented to the Strategic Risk and Internal Audit Group at its meeting on 16 July 2026.
Resource	Not as a result of this report.
Risk / Legal / Legislative	Sound risk and opportunity management, minimises and controls risk, identified improvement opportunities, and enables well-informed decision-making and supports the delivery of the Strategic Plan.
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, enhancing functions and services aligning Council processes to best practice standards.
26/27 Budget Allocation	\$250,000 is included in the operating budget to support internal audit activities.
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.
27/28 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. One of the roles of the Audit and Risk Committee (ARC), as per clause 11.2.1 of its Terms of Reference, is to review the Council's Risk Profile and monitor the risk exposure of Council and its subsidiaries.
2. The Chief Executive Officer has assigned responsibility for managing the internal audit program to the Chief Operating Officer (the COO). The COO will be supported by the Associate Director Governance and Strategy, and the Manager Corporate Governance and Risk, and together those positions take responsibility for the management of the Internal Audit program and liaising with BDO (Council's internal audit partner), who commenced with the Council on 1 October 2025, to conduct Internal Audit services for the Council.

Internal Audit Plan 2027 - 2029

3. Noting the objectives of the City of Adelaide Strategic Plan 2024 – 2028, the Strategic Risk and Internal Audit Group (SRIA) reviewed City of Adelaide's (the Council) three-year (2027 – 2029) Internal Audit Plan (the Plan).
4. BDO met with the Administration to review and discuss the proposed internal audits for Council. The feedback has been collated and formalised in a draft three-year Plan which was discussed at SRIA on 16 July 2026, in consideration of the Council's strategic risks and key priorities with the Council Strategic Plan 2024 – 2028.
5. The draft Plan for 2027 – 2029 includes a number of internal audits that can be facilitated using existing Council resources. Internal audits are performed, either in-house, by Council's internal audit partner, or specialised providers where required (for example cyber). In-house audits include operational and transactional compliance audits. The internal audit partner 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 in a manner that achieves the best value for money, leveraging our in-house and external capabilities where appropriate.
6. Each internal audit has been identified as a risk mitigation to a Strategic Risk of the Council.
7. The following items are recommended in the Plan for the 2026/2027 financial year:

	Audit Title	Brief Description	Provider	Timing
1	Business Plan and Budget	This internal audit will assess the effectiveness and efficiency of the Council's business planning and budget development processes.	BDO	Q1
2	Strategic Asset Management (to perform in conjunction with #1)	The objective of this audit is to assess the maturing and effectiveness of the Council's Asset Management Framework and its alignment with the Strategic Plan, Long Term Financial Plan, and Asset Management Plans.	BDO	Q1
3	Review of Internal Audit Recommendation Implementation	This audit will assess the effectiveness and timeliness of actions taken to address findings and recommendations from previous internal audits.	In-house	Q1
4	Elected Member Request System	This audit will assess the effectiveness of the Council's Elected Member request system, including the processes and practices in place to manage, track and respond to requests.	In-house	Q1
5	Regulatory Compliance Framework	This internal audit will assess the maturity and effectiveness of the Council's regulatory compliance framework.	BDO	Q2

	Audit Title	Brief Description	Provider	Timing
6	Regulatory Enforcement Framework (to perform in conjunction with #4)	This internal audit will assess the effectiveness of Council's arrangements for managing regulatory compliance in its role as regulatory administrator.	BDO	Q2
7	Penetration Testing and PCI Compliance	This audit will involved ongoing penetration testing to identify vulnerabilities and weakness with the Council's internal network and digital environment. In addition, CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on this compliance to the acquiring bank with a completed Self-Assessment Questionnaire.	Third-party provider	Q2
8	Mandatory Training	Review the process for documenting mandated training required for roles or to maintain accreditation for designated roles, costed out in the budget with reminders set to ensure we keep the records up to date.	In-house	Q2
9	Business Resilience	This internal audit will assess the adequacy and effectiveness of the Council's business resilience framework, including business continuity planning (BCP), IT disaster recovery (IT DR) and crisis management arrangements.	BDO	Q3
10	ICT Project Implementation and Governance	This review will focus on the implementation of SAP SuccessFactors software including project planning, oversight, reporting and integration of ICT initiatives with organisational objectives and stakeholder requirements	BDO	Q3
11	Legislative Compliance	This audit will assess the effectiveness of the Council's legislative compliance work plan and supporting framework.	In-house	Q3
12	Essential Eight	A comprehensive evaluation of Council's cyber security posture against the Essential Eight, a baseline mitigation framework developed by the Australian Signals Directorate (ASD) and the Australian Cyber Security Centre (ACSC).	Third-party provider	Q3
13	Physical and Protective Security	This internal audit will assess the effectiveness of the Council's physical and protective security framework, including the governance, processes and practices that support the safety of employees, contractors, visitors and Council assets and infrastructure.	BDO	Q4

	Audit Title	Brief Description	Provider	Timing
14	ESG Reporting Processes Review	This audit will assess the Council's current ESG data, data management and reporting processes to understand the quality and robustness, and provide recommendations on reporting framework alignment.	BDO	Q4
15	Legal Services	This audit will assess the governance and controls surrounding the procurement and management of legal service across the Council.	In-house	Q4

8. A brief draft scope of each internal audit is included in **Attachment A**. A more comprehensive scope will be developed and presented to SRIA and ARC for approval prior to each internal audit being taken.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – 2027 – 2029 Internal Audit Plan

- END OF REPORT -

City of Adelaide

Strategic Risks and Internal Audit Plan

UPDATE v0.2- JULY 2026

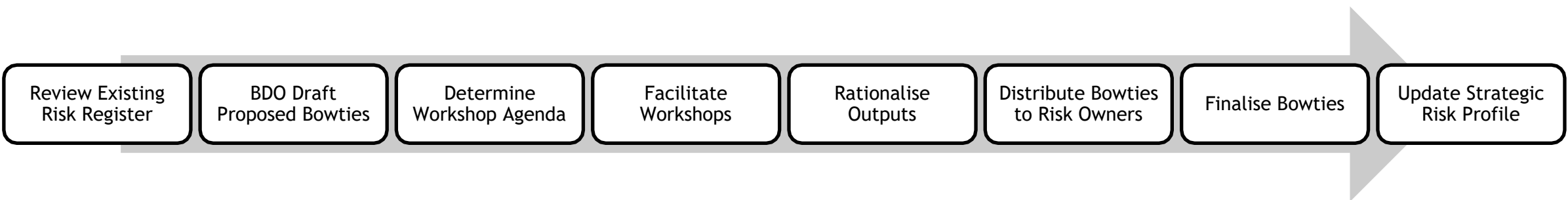


Strategic Risk Alignment Internal Audit

Objective

BDO has recently conducted an internal audit to evaluate, and assess the strategic risks impacting the City of Adelaide's (CoA) operations and long-term objectives to ensure alignment with organisational goals. The project adopted the 'bow tie' risk assessment tool to map the relationship between causes, controls, and consequences for key risk events, documenting both prevention and mitigation controls. This was conducted in consultation with the CoA Governance & Strategy team and nominated strategic risk owners.

Approach



Output

Consistent Vernacular

A consistent vernacular has been adopted across all strategic risks to describe causes, consequences, controls and treatments. Historically, this terminology was applied inconsistently, which limited the ability to clearly articulate risk drivers and responses across strategic risks. The revised approach establishes a common structure and language, improving clarity, comparability and understanding of how risks are defined and managed at a strategic level.

Control Identification and Future Maturity

Through targeted discussions with key stakeholders, a more detailed and robust suite of controls was identified for each strategic risk. Previously, controls were often articulated at a very high level, which constrained transparency over how risks were actively prevented or mitigated. The enhanced control information supports the embedding of strengthened control self-assessment processes, enables internal audit to directly assess the effectiveness of controls, and allows control assurance outcomes to be fed back into bowtie analyses to continuously refine risk understanding.

Risk Rating Approach

A revised risk rating approach has been implemented, based on assessing the current worst-case scenario given existing prevention strategies. The approach is driven by selecting one or two relevant consequences from the CoA Risk Rating Table and evaluating likelihood and consequence in that context. This enables each strategic risk rating to be more clearly explained and consistently applied, supporting more transparent and defensible risk assessments across the strategic risk profile.

Current Strategic Risks Overview

Page 11

#	Current Strategic Risks	Current Risk Rating
 1	Financial Sustainability - If appropriate financial resources and systems are not in place, impacting our ability to deliver services, maintain our assets and meet strategic objective.	High
 2	Cyber security - Our cyber security vulnerability exposes us to data breaches and system compromises, risking sensitive information and operational disruption.	High
 3	Assets and infrastructure - Our assets and infrastructure do not meet community needs, and planning, systems and programs are not fit for purpose.	High
 4	Business resilience - Our preparation or response to disruptions of essential services and operations due to unforeseen events is inadequate.	High
 5	Climate Resilience - Harm from physical and transitional climate risks to community health and safety, service delivery, Council's built and natural assets, financial sustainability and reputation.	High
 6	Statutory and regulatory - Our failure to deliver statutory and regulatory requirements and manage public safety poses legal and reputational risks to the organisation.	Moderate
 7	Stakeholder management - Our management of relationships and partnerships with external stakeholders is ineffective.	Moderate
 8	People and Talent - Our ability to attract and retain sufficient capacity and skills to effectively operate while maintaining work health & safety compliance is inadequate.	High
 9	Governance - Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage.	Moderate
 10	Digital Capability - Our enterprise data, technology systems, and governance are not contemporary or aligned to organisational needs.	Moderate
 11	Strategy Definition & Implementation - Our strategic planning processes do not allow us to effectively adapt to changing external environments and/or are insufficient to enable successful implementation of our objectives.	Moderate

*Note: Risk titles, descriptors and ratings to be confirmed upon completion of the Strategic Risk Assessment and Alignment Internal Audit

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	1. Business Plan & Budget	This internal audit will assess the effectiveness and efficiency of the Council's business planning and budget development processes. The review will focus on the governance, coordination, and integration of business planning activities across the organisation and Chamber. Particular emphasis will be placed on the budget build process, including the timeliness, accuracy, and transparency of financial inputs, assumptions, and decision-making to support the delivery of strategic objectives. Consideration will also be given to the engagement process with Council on budget planning and management.	FY27 (Q1)	Financial Sustainability
Operational	2. Strategic Asset Management	The objective of this audit is to assess the maturity and effectiveness of the Council's Asset Management Framework and its alignment with the Strategic Plan, Long-Term Financial Plan (LTFP), and Strategic Asset Management Plan (SAMP). The review will: - Assess the adequacy of the Council's Asset Management Plan (AMP), including strategies and programs for asset creation, operation, maintenance, refurbishment, replacement, disposal, and performance monitoring to support organisational needs. - Review the Council's approach to life cycle planning and forecasting of future operational and capital expenditure requirements. - Evaluate the appropriateness of maintenance policies and whether defined service standards support asset availability, functionality, and sustainability in line with strategic and financial objectives.	FY27 (Q1)	Assets and Infrastructure Financial Sustainability
Compliance	3. Regulatory Compliance Framework	This internal audit will assess the maturity and effectiveness of the Council's regulatory compliance framework. The review will examine how the Council identifies and captures its legislative and regulatory obligations, assigns ownership for managing compliance, and defines processes and controls to ensure ongoing compliance. It will also evaluate oversight and monitoring arrangements, breach management and reporting processes, and the mechanisms in place for tracking and responding to regulatory changes.	FY27 (Q2)	Stakeholder Management Statutory and Regulatory

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Compliance	4. Regulatory Enforcement Framework (to perform in conjunction with #3)	This internal audit will assess the effectiveness of Council's arrangements for managing regulatory compliance in its role as regulatory administrator. The review will consider the governance, processes, and controls in place to ensure regulatory obligations are administered consistently and in accordance with legislative and policy requirements. A risk-based sample of regulatory functions (such as parking management, expiations, food safety, and works permits) will be examined to assess compliance management, monitoring, and enforcement practices.	FY27 (Q2)	Stakeholder Management Statutory and Regulatory
Strategic	5. Business Resilience	This internal audit will assess the adequacy and effectiveness of the Council's business resilience framework, including business continuity planning (BCP), IT disaster recovery (IT DR), and crisis management arrangements. The review will evaluate whether critical business functions and systems can be maintained or restored within acceptable timeframes following a disruption. It will also consider the clarity of roles and responsibilities, testing and maintenance of plans, communication protocols, and the alignment of resilience activities with strategic and operational risk management processes.	FY27 (Q3)	Business Resilience
Operational	6. ICT Project Implementation and Governance	The review will focus on the implementation of SAP SuccessFactors software including project planning, oversight, reporting, and integration of ICT initiatives with organisational objectives and stakeholder requirements. Using the project as a case-study, the review will consider the adequacy of Council's ICT Project Governance & Delivery Frameworks, including change management. It will also evaluate the maturity of current practices against better practice frameworks and identify opportunities to strengthen consistency and accountability in managing change.	FY27 (Q3)	Digital Capability

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	7. Physical and Protective Security	This internal audit will assess the effectiveness of the Council's physical and protective security framework, including the governance, processes, and practices that support the safety of employees, contractors, visitors, and Council assets and infrastructure. The review will consider compliance with relevant work health and safety and legislative requirements, as well as alignment with better practice. It will also evaluate key physical security controls, protective measures, and staff safety arrangements across Council facilities and operations, with focus areas to be agreed with management.	FY27 (Q4)	People and Talent
Operational	8. ESG Reporting Processes Review	This audit will assess the Council's current ESG data, data management and reporting processes to understand the quality and robustness and provide recommendations on reporting framework alignment. Areas of focus will include analyse of existing ESG data collected by the Council, review against better practice reporting framework relevant to the LG sector and conducting a gap analysis between Council data and data management practices and framework requirements and providing recommendations on relevant reporting frameworks for Council consideration.	FY27 (Q4)	Climate Resilience Statutory and Regulatory

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	9. Procure to Pay and Contract Management	This internal audit will assess the effectiveness of the Council's end-to-end procurement and contract management framework, from tendering and supplier selection through to contract execution, performance monitoring, and closure. The review will evaluate compliance with Council policies, legislative requirements, and probity standards, as well as the efficiency and transparency of procurement processes. It will also consider the adequacy of controls over contract management practices, including contract variations, performance monitoring, and value-for-money outcomes.	FY28	Governance Financial Sustainability
Operational	10. Payroll Review Pre-Implementation review	This audit will assess the adequacy and effectiveness of the Council's new payroll system prior to implementation. The review will evaluate project governance, system configuration, data migration, and control design to ensure the system is capable of accurately processing payroll, complying with legislative requirements, and supporting efficient workforce management once operational.	FY28	Digital Capability
Operational	11. Community Consultation Review	This review will assess the process of community consultation by reviewing policy and operating guidelines as well as legislative requirements. It will also include a review to ensure that Projects are complying with their respective Community Engagement Plans and that these Plans meet the requirements of the Program Community Engagement Management Plan. This internal audit will look at the consistency of community consultation practices across different areas of the Council and an opportunity to leverage better practices and updated community consultation methods and tools.	FY28	Stakeholder Management Statutory and Regulatory
Operational	12. Central market	This audit will conduct a post-implementation review of the Central Market redevelopment, focusing on the effectiveness of project delivery and the management of associated commercial risks. The review will assess whether governance, financial and operational arrangements support sustainable market performance and value for the Council.	FY28	Financial Sustainability

Internal Audit Plan and Timing

Audits to be Completed by BDO				
Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Strategic	13. Funding for Precinct and Precinct Groups	This audit will assess the effectiveness, transparency, and accountability of the Council’s processes for funding precinct groups. The review will examine governance arrangements, eligibility and approval processes, allocation of funds, and monitoring and reporting practices to ensure alignment with Council objectives and equitable distribution of resources. It will also consider whether appropriate controls and performance measures are in place to support responsible use of public funds and achievement of intended community outcomes.	FY28	Financial Sustainability Governance
Strategic	14. Talent Management and Succession Planning	This audit will assess the effectiveness of the Council’s talent management and succession planning processes in supporting delivery of organisational strategy. The review will examine how workforce planning and career pathways align to strategic priorities, how succession risks for critical roles are identified and managed, and whether these processes are applied consistently across the organisation. It will also consider the effectiveness of performance and development frameworks in building workforce capability, leadership continuity, and capacity to deliver strategic objectives.	FY28	Human Resources
Operational	15. Fleet Management	This audit will assess the effectiveness of the Council’s fleet management framework, including governance, utilisation, and cost-efficiency of plant and equipment. The review will examine procurement and maintenance processes, asset replacement planning, and the evaluation of owned versus hired equipment. It will also assess the Council’s readiness and planning for transitioning to an electric or low-emission fleet, considering financial, operational, and environmental impacts.	FY28	Financial Sustainability Assets and Infrastructure

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Compliance	16. Diversity and Inclusion Framework review	This audit will assess the effectiveness of the Council's diversity and inclusion framework, including the governance, processes, and practices that support an inclusive and equitable workplace and community. The review will consider compliance with relevant legislative and regulatory requirements, as well as alignment with better practice principles. It will also evaluate initiatives and engagement approaches that promote diversity, inclusion, and belonging across the organisation and community, with key focus areas to be agreed with management.	FY28	Human Resources
Strategic	17. Property management	The objective of this audit is to assess the effectiveness of the Council's property management framework, including governance, utilisation, and control practices across the property lifecycle. The review will examine policies, processes, and controls relating to the management of Council-owned and strata properties, including contract management and compliance with legislative requirements. It will also review how land and asset registers are maintained and assess current practices for managing leases on community land. The audit will identify any gaps or inconsistencies to support harmonisation of property management practices across business units and inform ongoing service reviews.	FY28	Climate Resilience
Operational	18. Cloud vendor//Third Party Cyber Risk Assessment	This review will include assessing and understanding the cyber resiliency of critical IT vendors for Council. Areas of focus will include assessing the third-party vendors' capacity to mitigate against large-scale disruptive events, cyber-resiliency preparedness, recovery capability and capacity, oversight of subcontractors, vendor Recovery Point Objective (RPO) and Recovery Time Objective (RTO), data confidentiality agreements, oversight of fourth parties and cyber insurance	FY28	Digital Capability

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	19. Long-Term Financial Planning / Financial Sustainability	This audit will assess the robustness and effectiveness of the Council's long-term financial planning framework and its alignment with the Strategic Plan and Annual Budget. The review will evaluate key assumptions, forecasting methodologies, and financial sustainability indicators to determine whether the Long-Term Financial Plan (LTFP) supports informed decision-making and long-term fiscal stability. It will also consider the integration of asset management, capital works, and service delivery priorities within the financial planning process.	FY29	Financial Sustainability
Operational	10. Waste Management	This audit will assess the efficiency, economy, and effectiveness of the Council's waste management service delivery models. The review will evaluate governance, contract management, and accountability frameworks supporting waste operations, as well as the adequacy of monitoring, reporting, and performance measures. It will also consider opportunities to improve value for money, sustainability outcomes, and alignment with community and environmental objectives.	FY29	Climate Resilience Financial Sustainability
Operational	21. Environmental Management Framework Review	The objective of this internal audit is to determine whether the CoA has established an environmental management approach that aligns with the IS14001:2016 Environmental Management Standard, including: • Established roles & responsibilities • Understand compliance obligations • Identified environmental risks & opportunities • Set actions to manage risks and opportunities • Provide appropriate resources, training & support • Established suitable performance evaluation activities and continual improvement mechanisms	FY29	Environments

Internal Audit Plan and Timing

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	22. Payroll Post-Implementation Review	This audit will assess the effectiveness of payroll controls and processes following the implementation of the new payroll system. The review will evaluate whether system configuration, control design, and operational practices adequately manage payroll risks, ensure data accuracy, and maintain compliance with industrial awards, enterprise agreements, and legislative obligations. It will also consider opportunities to enhance efficiency and reporting reliability within the payroll function.	FY29	Digital Capability Financial Sustainability
Strategic	23. Park Lands Review	This audit will assess the Council's adherence to the Park Lands Act, relevant policies, and the Park Lands Management Strategy. The review will evaluate the alignment of park lands management practices with the Council's Strategic Plan, as well as the effectiveness of community engagement and consultation processes supporting park lands planning, use, and preservation.	FY29	Governance
Operational	24. Stormwater	This audit will assess the effectiveness of processes and key controls supporting the planning, delivery, and maintenance of the Council's stormwater assets. The review will evaluate whether governance, design, and operational practices are contemporary, fit-for-purpose, and aligned with better practice standards to ensure sustainable and resilient stormwater management.	FY29	Assets and Infrastructure Financial Sustainability
Operational	25. Decision making / delegation / authority levels -	This audit will assess the effectiveness and efficiency of the Council's decision-making, delegations, and authority frameworks. The review will evaluate whether responsibilities and approval levels are appropriately defined and applied to enable timely and accountable decision-making. It will consider opportunities to streamline processes by delegating decisions to the appropriate management levels (e.g. approvals for training, IT requests, temporary labour hire, and gifts/benefits) while maintaining adequate oversight and control.	FY29	Governance

Internal Audit Plan and Timing

Audits to be Completed In-House / Third Party Provider

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Biennial	1. Review of Internal Audit Recommendation Implementation	This audit will assess the effectiveness and timeliness of actions taken to address findings and recommendations from previous internal audits. The review will evaluate whether agreed management actions and control improvements have been fully implemented and are operating as intended. It will also identify any gaps, delays, or recurring issues to provide assurance to leadership on the maturity of the Council's control environment and continuous improvement processes.	FY27 (Q1)	All Risks
Compliance	2. Elected Member Request System	This audit will assess the effectiveness of the Council's elected member request system, including the processes and practices in place to manage, track, and respond to requests. The review will evaluate whether the system supports transparency, accountability, and equitable outcomes for the community, and will consider opportunities to enhance efficiency, consistency, and reporting to support informed decision-making.	FY27 (Q1)	Governance Financial Sustainability
Annual / Compliance	3. Penetration Testing and PCI Compliance (Audits conducted concurrently)	Penetration Testing: This audit will involve ongoing penetration testing to identify vulnerabilities and weaknesses within the Council's internal network and digital environment. The review will assess the adequacy of existing security controls, monitoring processes, and response mechanisms designed to prevent unauthorised access and safeguard Council data and systems. PCI Compliances: The objective is that CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on this compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). This internal audit will provide CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities, and to provide guidance in areas of required remediation following the assessment.	FY27 (Q2)	Cyber security Statutory and Regulatory

Internal Audit Plan and Timing

Audits to be Completed In-House / Third Party Provider

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Compliance	4. Mandatory Training	Review the process for the documenting mandated training required for roles or to maintain accreditation for designated roles, costed out in the budget with reminders set to ensure we keep the records up to date. Ranges from formal accreditation such as Assessment Manager / Building Compliance Officers, to work zone traffic management, certificates which are required every few years for those assessing permit applications.	FY27 (Q2)	Statutory and Regulatory
Annual / Compliance	5. Legislative Compliance Program	This audit will assess the effectiveness of the Council's legislative compliance work plan and supporting framework. The review will focus on the ongoing process for monitoring, auditing, and managing compliance with key legislation—reviewing one Act at a time—and evaluating how actions are recorded, tracked, and managed within Promapp. It will also consider governance, accountability, and reporting arrangements to ensure sustained compliance and continuous improvement.	FY27 (Q3)	Statutory and Regulatory
Operational	6. Essential Eight	A comprehensive evaluation of Council's cyber security posture against the Essential Eight, a baseline mitigation framework developed by the Australian Signals Directorate (ASD) and the Australian Cyber Security Centre (ACSC). The goal is to prevent cyber attacks, limit the impact of breaches, and ensure data availability.	FY27 (Q3)	Cyber security
Compliance	7. Legal Services	This audit will assess the governance and controls surrounding the procurement and management of legal services across the Council. The review will examine how legal advice is sourced, authorised, and monitored, including instances where advice is obtained outside the Governance function. It will evaluate compliance with procurement and delegation requirements, consistency of engagement practices, and opportunities to strengthen oversight, cost management, and accountability in legal service delivery.	FY27 (Q4)	Governance Financial Sustainability

Internal Audit Plan and Timing

Audits to be Completed In-House / Third Party Provider

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Compliance	8. Record Keeping	This internal audit will perform a random check on record keeping by sampling a selection of staff from each portfolio. This audit will be developed and facilitated in conjunction with IM as per requirements in the Record Keeping Operating Guideline	FY28	Statutory and Regulatory
Operational	9. By-Laws	This audit will assess the adequacy and effectiveness of the Council's processes and procedures for developing, implementing, and managing By-Laws. The review will evaluate governance and compliance frameworks supporting By-Law administration, including monitoring, enforcement, and review practices. It will also consider alignment with legislative requirements and opportunities to improve consistency, transparency, and efficiency in By-Law management.	FY28	Statutory and Regulatory
Annual / Compliance	10. Legislative Compliance Program	This audit will assess the effectiveness of the Council's legislative compliance work plan and supporting framework. The review will focus on the ongoing process for monitoring, auditing, and managing compliance with key legislation—reviewing one Act at a time—and evaluating how actions are recorded, tracked, and managed within Promapp. It will also consider governance, accountability, and reporting arrangements to ensure sustained compliance and continuous improvement.	FY28	Statutory and Regulatory

Internal Audit Plan and Timing

Audits to be Completed In-House / Third Party Provider

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Annual / Compliance	11. Penetration Testing and PCI Compliance (Audits conducted concurrently)	Penetration testing: This audit will involve ongoing penetration testing to identify vulnerabilities and weaknesses within the Council's internal network and digital environment. The review will assess the adequacy of existing security controls, monitoring processes, and response mechanisms designed to prevent unauthorised access and safeguard Council data and systems. PCI Compliance: The objective is that CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on this compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). This internal audit will provide CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities, and to provide guidance in areas of required remediation following the assessment.	FY28	Cyber security Statutory and Regulatory
Operational	12. Customer Request Management (City Operations)	This internal audit will assess the effectiveness of the customer experience and processes for managing customer service request at City Operations. This will also address issues, including: A. There seems to be a practice that information requests go directly to staff based on relationships across the organisation. B. We can have multiple staff responding (which is quite appropriate) but there is not always coordinated and suspect gaps where some areas / staff are not asked to respond. C. Sometimes there is no visibility of requests or responses from the Program. D. Some timeframes are also very tight to enable a response.	FY28	Stakeholder Management
Operational	13. Fees and Charges	Review processes around how fees and charges are developed, including event management, fees associated with event permits and the use of multi-year licences.	FY28	Financial Sustainability

Internal Audit Plan and Timing

Audits to be Completed In-House / Third Party Provider

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	14. Complaints Handling	This audit will assess the effectiveness and consistency of the Council's complaints handling processes. The review will evaluate the adequacy of policies, procedures, and systems for receiving, recording, investigating, and resolving complaints. It will also consider timeliness, transparency, and communication practices, as well as opportunities to enhance accountability, customer experience, and alignment with better practice complaints management frameworks.	FY29	Stakeholder Management
Operational	15. Marketing spend effectiveness review	This audit will assess the effectiveness of the Council's marketing and communications activities, including governance, planning, and evaluation processes. The review will examine how marketing programs are developed, approved, and measured for success, as well as compliance with Council policies and procurement requirements. It will also consider the management of marketing contracts with advertising vendors and evaluate the Council's approach to maintaining and overseeing its suite of websites to ensure consistency, efficiency, and alignment with strategic objectives.	FY29	Financial Sustainability Stakeholder Management
Annual / Compliance	16. Legislative Compliance Program	This audit will assess the effectiveness of the Council's legislative compliance work plan and supporting framework. The review will focus on the ongoing process for monitoring, auditing, and managing compliance with key legislation—reviewing one Act at a time—and evaluating how actions are recorded, tracked, and managed within Promapp. It will also consider governance, accountability, and reporting arrangements to ensure sustained compliance and continuous improvement.	FY29	Statutory and Regulatory

Internal Audit Plan and Timing

Audits to be Completed In-House / Third Party Provider				
Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Annual / Compliance	17. Penetration Testing and PCI Compliance (Audits conducted concurrently)	Penetration testing: This audit will involve ongoing penetration testing to identify vulnerabilities and weaknesses within the Council’s internal network and digital environment. The review will assess the adequacy of existing security controls, monitoring processes, and response mechanisms designed to prevent unauthorised access and safeguard Council data and systems. PCI Compliance: The objective is that CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on this compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). This internal audit will provide CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities, and to provide guidance in areas of required remediation following the assessment.	FY29	Cyber security Statutory and Regulatory
Biennial	18. Review of Internal Audit Recommendation Implementation	This audit will assess the effectiveness and timeliness of actions taken to address findings and recommendations from previous internal audits. The review will evaluate whether agreed management actions and control improvements have been fully implemented and are operating as intended. It will also identify any gaps, delays, or recurring issues to provide assurance to leadership on the maturity of the Council’s control environment and continuous improvement processes.	FY29	All Risks

Current Internal Audit Plan and Timing - FY26

Audits to be Completed In-House / Third Party Provider				
Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Annual	1. Review of Internal Audit Recommendation Implementation	This audit will assess the effectiveness and timeliness of actions taken to address findings and recommendations from previous internal audits. The review will evaluate whether agreed management actions and control improvements have been fully implemented and are operating as intended. It will also identify any gaps, delays, or recurring issues to provide assurance to leadership on the maturity of the Council’s control environment and continuous improvement processes.	Q2	All Risks
Compliance	2. Legislative Compliance Program	This audit will assess the effectiveness of the Council’s legislative compliance work plan and supporting framework. The review will focus on the ongoing process for monitoring, auditing, and managing compliance with key legislation—reviewing one Act at a time—and evaluating how actions are recorded, tracked, and managed within Promapp. It will also consider governance, accountability, and reporting arrangements to ensure sustained compliance and continuous improvement.	Q2	Statutory and Regulatory
Annual / Compliance	3. Penetration Testing and PCI Compliance (Audits conducted concurrently)	Penetration testing: This audit will involve ongoing penetration testing to identify vulnerabilities and weaknesses within the Council’s internal network and digital environment. The review will assess the adequacy of existing security controls, monitoring processes, and response mechanisms designed to prevent unauthorised access and safeguard Council data and systems. PCI Compliance: The objective is that CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on this compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). This internal audit will provide CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities, and to provide guidance in areas of required remediation following the assessment.	Q3	Cyber security Statutory and Regulatory

Current Internal Audit Plan and Timing - FY26

Audits to be Completed In-House / Third Party Provider				
Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Operational	4. Cyber Security health check	The objective of this audit is to provide the Council a health check around the current cyber security systems in place. The scope of this audit will consider the following: • The cyber security safeguards and measures in place and plans for the future including measures to prevent and detect cyber breaches and the recovery mechanism should a breach eventuate • Responsibilities and accountabilities for cyber security and the skills of staff within the ICT team to abreast of cyber security developments • The reporting arrangements and escalation process should a cyber-breach occur • Cultural awareness and training amongst staff in understanding cyber risks	Q3	Cyber security
Annual / Compliance	5. Record Keeping Audit	This internal audit will perform a random check on record keeping by sampling a selection of staff from each portfolio. This audit will be developed and facilitated in conjunction with IM as per requirements in the Record Keeping Operating Guideline.	Q4	Statutory and Regulatory

Current Internal Audit Projects - FY26

Audits being completed in current year

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Strategic	1. Strategic Risk Assessment and Alignment	This internal audit will review the Council's strategic risk register and assess the adequacy of current risk definitions, causes, and controls through bow tie risk analysis. The review will evaluate whether strategic risks are clearly linked to organisational objectives, appropriately rated, and aligned with the internal audit program. 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. In addition, the audit will review existing internal audits to assess their continued relevance and alignment with the updated strategic risk register, ensuring the internal audit plan remains risk-based and reflective of current strategic priorities.	FY26 (Q2)	All Risks
Strategic	2. Strategic Planning, Governance and Organisational Reporting	This internal audit will assess the design and effectiveness of the Council's strategic planning, governance, and reporting frameworks. 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. 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.	FY26 (Q2)	Stakeholder Management Governance
Strategic	3. Strategic third-party relationship management	This internal audit will assess the framework under which the Council engages with third parties from a business partnership, collaboration and affiliation perspective. The audit will assess the authority framework to engage and commit the Council to third parties, risk appetite, due diligence processes as well as coordination and communication of third-party engagements. Specific focus areas would be agreed with the Council.	FY26 (Q2)	Stakeholder Management Governance

Current Internal Audit Projects - FY26

Audits to be Completed by BDO

Audit Type	Proposed Audit	Proposed Scope	Timing	Risk Linkage
Strategic	4. Commercial revenue and alternative revenue streams	The purpose of this internal audit is to consider the practices in place relating to new revenue streams. As part of this review, the following will be considered: • Initial new revenue identification processes (including stakeholder communication channels and consultation) • Development of benefit versus cost analysis, including consideration of current and future market trends • Ongoing monitoring and reporting processes	FY26 (Q3)	Financial Sustainability
Operational	5. Social Media	This internal audit will assess the effectiveness of the Council's governance, monitoring, and response processes for managing third-party comments on social media platforms. The review will consider the adequacy of policies and procedures for moderating content, escalation protocols for inappropriate or reputationally sensitive posts, roles and responsibilities, and alignment with legislative and reputational obligations. It will also evaluate whether social media management practices support transparency, consistency, and appropriate community engagement.	FY26 (Q3)	Stakeholder Management
Operational	6. Project Management Framework	Review Project management processes including adequacy of project management framework, alignment to leading practices (e.g. with reference to differing frameworks), project governance and oversight, end-to-end project management process and gateways including identification, approval stages, planning, delivery, commissioning and handover, and close-out/post delivery review.	FY26 (Q3)	Governance

Internal Audit Scope

Strategic Alignment - Our Corporation

Public

Friday, 14 August 2026
Audit and Risk Committee

Program Contact:
Rebecca Hayes, Associate
Director Governance & Strategy

Approving Officer:
Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

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

- Social Media Management

This internal audit is in accordance with the 2025 – 2026 Internal Audit Plan.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Social Media Management 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 14 August 2026 and provides the following feedback:
 - 1.1. _____
 - 1.2. _____

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 functions legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	The internal audit scope was presented to the Strategic Risk and Internal Audit Group at its meeting on 16 July 2026.
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.
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. In 2025 BDO was appointed as the City of Adelaide's (CoA) Internal Audit partner.
2. Following BDO's appointment, Administration worked with BDO through a facilitated workshop to develop the 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 it 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 endorsement 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 several internal audits (the Internal 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 partner, 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 manner that achieves best value for money, leveraging our in-house and external capabilities where appropriate.
8. Each Internal Audit has been identified as a risk mitigation to Council's Strategic Risks.
9. Internal Audits are essential to ensure that the Council is complying with legislation, regulations and policies that govern our operations. The Internal 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. The following Internal Audit will commence in Quarter 1 of FY2026/27:
 - 10.1. Social Media Management Review

Social Media Management

11. The Social Media Management Review Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope of the audit can be found in **Attachment A**.
12. The objective of this Audit is to assess the effectiveness of the Council's governance, monitoring and response processes for management of third-party comments on social media platforms.
13. SRIA considered the Internal Audit scope, together with BDO, at its meeting on 16 July 2026. The scope was endorsed by SRIA.

Scope

14. The scope as detailed in **Attachment A** will consider the following areas:
 - 14.1. Governance and policy framework;
 - 14.2. Roles, responsibilities and delegations;
 - 14.3. Moderation and content management practices;
 - 14.4. Escalation and incident response arrangements;

- 14.5. Legal and regulatory compliance;
 - 14.6. Records management and information handling;
 - 14.7. Capability, resourcing and training;
 - 14.8. Oversight, monitoring and reporting; and
 - 14.9. Community engagement, transparency and reputation management.
15. The Social Media Management Review Internal Audit will be undertaken in consultation with Administration. The following stakeholders have been identified based on preliminary discussions:
- 15.1. Associate Director Customer and Marketing;
 - 15.2. General Manager Adelaide Economic Development Agency;
 - 15.3. Executive Manager Marketing and Tourism;
 - 15.4. Executive Manager Rundle Mall;
 - 15.5. General Manager Adelaide Central Markets Authority;
 - 15.6. Marketing and Communications Manager ACMA;
 - 15.7. Lead Media Relations;
 - 15.8. Associate Director Park Lands, Policy & Sustainability (Kadaltilla); and
 - 15.9. Associate Director Information Management
16. Other relevant stakeholders will be consulted during the Audit.
17. 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.
18. The final report, incorporating management responses and an agreed action plan with nominated responsible officers and target completion dates, will be presented to SRIA and subsequently to ARC.

Next steps

- 19. ARC is asked to review the attached Social Media Management Review Internal Audit scope and provide feedback as required. Noting that the ARC Terms of Reference and Meeting Procedures state at point 11.4.5 that ARC 'provide oversight and feedback (as required) on draft Internal Audit Scopes'.
- 20. Any feedback provided by ARC will be assessed and incorporated into the scope where appropriate.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Social Media Management Review Internal Audit Scope

- END OF REPORT -

PROJECT BRIEF

Project Title:	Social Media Management Internal Audit
Project Contact:	Rebecca Hayes, Associate Director, Governance & Strategy
Project Objective:	This internal audit will assess the effectiveness of the Council's governance, monitoring, and response processes for managing third-party comments on social media platforms. The review will consider the adequacy of policies and procedures for moderating content, escalation protocols for inappropriate or reputationally sensitive posts, roles and responsibilities, and alignment with legislative and reputational obligations. It will also evaluate whether social media management practices support transparency, consistency, and appropriate community engagement.
Scope & Approach:	The scope of the Social Media Management Review will consider the following areas: • Governance and policy framework • Roles, responsibilities and delegations • Moderation and content management practices • Escalation and incident response arrangements • Legal and regulatory compliance • Records management and information handling • Capability, resourcing and training • Oversight, monitoring and reporting • Community engagement, transparency and reputation management. The project will also assess alignment with relevant legislation, regulatory guidance and better practice frameworks, including but not limited to: • <i>Local Government Act 1999 (SA)</i> • <i>Defamation Act 2005 (SA)</i> • <i>Freedom of Information Act 1991 (SA)</i> • <i>State Records Act 1997 (SA)</i> • <i>ICAC Act 2012 (SA)</i> and <i>PID Act 2018 (SA)</i> • <i>Privacy Act 1988 (Cth)</i> and Information Privacy Principles • <i>Copyright Act 1968 (Cth)</i> • LGA SA Model Social Media Policy template and guidance • OAIC, Ombudsman SA and State Records guidance • Relevant case law including Voller (2021) • ISO 31000, ISO 15489 and ISO 37301. The internal audit will be undertaken in consultation with Governance and Strategy representatives at CoA, as well as relevant stakeholders, including but not limited to: • Associate Director Customer and Marketing • General Manager Adelaide Economic Development Agency • Executive Manager Marketing and Tourism • Executive Manager Rundle Mall • General Manager Adelaide Central Market Authority

PROJECT BRIEF

- Marketing and Communications Manager ACMA
- Lead, Media Relations and Associate Director Parklands, Policy & Sustainability (Kadaltilla)
- Associate Director Information Management

Our approach includes the following phases:

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.

Phase 1: Process Discovery

The Process Discovery phase included the following two (2) stages:

1a - Document Collation and Process Interviews

- Obtain and review CoA's social media management documentation, including policies, procedures, delegations of authority, organisational charts and position descriptions, incident response plans and registers, records management and reporting, obligation / compliance register, community engagement plans, training materials and any other relevant documentation
- Conduct interviews with nominated Governance and Strategy representatives to gain an understanding of the social media management processes and systems
- Identify the key risk areas within the social media management processes.

1b - Process and Documentation Review

- Gain an understanding of CoA's suite of social media management related documentation obtained in Phase 1a
- Document CoA's social media management processes (at a high-level), highlighting key controls in place (manual and system based) to address the identified risk areas with a focus on:
 - Governance and policy framework
 - Roles, responsibilities and delegations
 - Moderation and content management practices
 - Escalation and incident response arrangements
 - Legal and regulatory compliance
 - Records management and information handling
 - Capability, resourcing and training
 - Oversight, monitoring and reporting
 - Community engagement, transparency and reputation management.

Phase 2: Assessment of Process Adequacy

The Process Adequacy phase includes the following two (2) stages:

2a - Adequacy Assessment and Risk/Control Gap Analysis

PROJECT BRIEF

- Consider the alignment of the social media management framework (including policy and procedures) and processes against *Local Government Act 1999 (SA)*, *Defamation Act 2005 (SA)*, *Freedom of Information Act 1991 (SA)*, *State Records Act 1997 (SA)*, *ICAC Act 2012 (SA)* and *PID Act 2018 (SA)*, *Privacy Act 1988 (Cth)* and Information Privacy Principles, *Copyright Act 1968 (Cth)*, LGA SA Model Social Media Policy template and guidance, OAIC, Ombudsman SA and State Records guidance, relevant case law including Voller (2021), ISO 31000, ISO 15489 and ISO 37301 and leading business practices
- Using a Risk and Control Matrix, map current controls and processes to key social media management risk areas
- 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

- Via review of organisation charts and discussion with CoA representatives, select a sample of business units (BU) with increased exposure to social media management risk
- Via interviews with selected BU and review of documentation, conduct ‘walkthroughs’ and/or ‘testing’ key social media management controls to assess:
 - Compliance with CoA’s social media management policies and procedures
 - Compliance with relevant legislation, regulatory guidance and better practice frameworks
 - Operating effectiveness of internal controls within the social media management processes.
- Based on the results of interviews and walkthroughs/testing, 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 September 2026.

PROJECT BRIEF

Project Resources:

The project will be resourced as follows:

- Peter Horsman (Engagement Partner)
- Tania Occhiuto (Engagement Manager)
- TBC (Graduate/Consultant/Senior Consultant)

The estimated total cost to complete this project is \$25,300 (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
20 / 07 / 2026

Rebecca Hayes, Associate Director,
Governance & Strategy
/ / 2026

2026-36 Long Term Financial Plan - Draft for Public Consultation

Tuesday, 14 August 2026
Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:
Mitch Woods, Associate Director
Finance & Procurement

Public

Approving Officer:
Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents the Draft 2026/27 - 2035/36 Long Term Financial Plan for the Audit and Risk Committee's consideration for the purposes of public consultation.

The Draft 2026/27 - 2035/36 Long Term Financial Plan (LTFP) demonstrates that the City of Adelaide can maintain long-term financial sustainability while continuing to invest in critical infrastructure, community assets and strategic initiatives. The Draft LTFP has been developed in alignment with Council's Strategic Plan, Infrastructure and Asset Management Plans, 2026/27 Annual Business Plan and Budget, and adopted financial principles.

Key outcomes of the Draft LTFP include:

- Financial sustainability is maintained over the ten-year planning period through ongoing operating surpluses, responsible expenditure management and sustainable revenue growth.
- Asset renewal funding progressively improves, with the Asset Renewal Funding Ratio increasing to 100% by 2031/32, ensuring infrastructure is renewed at the rate it is consumed and reducing the risk of future asset deterioration.
- Approximately \$849 million in asset renewal expenditure is forecast over the life of the Draft LTFP, together with approximately \$142 million in new and upgraded assets, supporting community services, economic activity and city growth.
- Borrowings remain within Council's adopted prudential limits throughout the LTFP period and continue to be used appropriately to fund long-lived assets that deliver benefits across multiple generations.
- Significant asset renewals remain the most material long-term financial challenge, including Adelaide Bridge, Torrens Weir and Rundle UPark. The Draft LTFP adopts a conservative position by assuming these projects are funded by Council unless external funding is secured.
- Advocacy for State and Federal funding remains a priority, recognising the regional and state significance of several major infrastructure assets and the substantial benefits external contributions could deliver to Council's long-term financial position.
- Opportunities to strengthen financial resilience are actively being pursued, including strategic property initiatives, investment through the Future Fund, growth in the city rate base, and productivity improvements through digital transformation and artificial intelligence.

Overall, the Draft Long Term Financial Plan provides a balanced and sustainable pathway that supports the ongoing delivery of services, responsible stewardship of community assets, and investment in Adelaide's future while maintaining affordability, financial flexibility and resilience.

RECOMMENDATION

The following recommendation will be presented to Council on 25 August 2026 for consideration

THAT AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes Audit and Risk Committee feedback on the Draft 2026/27 - 2035/36 Long Term Financial Plan document set out in **Attachment A** to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee on 14 August 2026.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation The Long Term Financial Plan is one of the City of Adelaide's legislatively required Strategic Management Plans. It is a fundamental part of responsible management and reporting of City finances and underpins the City's financial sustainability.
Policy	The Draft 2026/27 - 2035/36 Long Term Financial Plan has been prepared in accordance with the 2026/27 Business Plan and Budget and all endorsed Financial Policies.
Consultation	A public consultation on the Draft 2026/27 - 2035/36 Long Term Financial Plan will open at 9.00am on Wednesday 26 August 2026 and close 11.59pm Tuesday 15 September 2026.
Resource	The 2026/27 Business Plan and Budget and Draft 2026/27 to 2035/36 Long Term Financial Plan identifies how Council's resources will be allocated in meeting the 2026/27 deliverables and objectives of the Strategic Plan.
Risk / Legal / Legislative	Council is required under the <i>Local Government Act 1999 (SA)</i> to develop and maintain a Long Term Financial Plan as part of its suite of Strategic Management Plans. The Draft LTFP has been prepared to support Council in meeting these statutory obligations. Failure to maintain a contemporary Long Term Financial Plan may reduce Council's ability to effectively assess long-term affordability, infrastructure funding requirements and emerging financial risks. The Draft LTFP assists Council in identifying and managing long-term financial, operational and infrastructure risks while supporting informed decision-making.
Opportunities	Public consultation will provide the community with an opportunity to provide feedback on the Draft LTFP. Community members can provide feedback on issues that affect them with the commitment of Council to provide pathways for their input.
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 Long Term Financial Plan (LTFP) is one of Council's key Strategic Management Plans. The LTFP projects Council's financial performance, position and cashflows over a ten-year period and assists Council in evaluating the affordability and sustainability of future decisions.
2. As South Australia's capital city council, the City of Adelaide is responsible for maintaining significant public infrastructure and delivering services that support residents, business workers, students, and visitors. The scale and complexity of these responsibilities require long-term planning to ensure financial sustainability is maintained while responding to changing community needs and external pressures.
3. The Draft LTFP has been prepared based on Council's adopted strategic priorities, current service levels, asset management requirements and a range of economic and financial assumptions relating to inflation, growth, workforce costs and interest rates.

Financial Sustainability

4. The Draft LTFP continues Council's focus on maintaining financial sustainability and building upon the improvements achieved through previous budget repair initiatives. The Draft LTFP adopts a long-term approach to balancing operating performance, infrastructure investment, debt affordability and service delivery requirements.
5. The Draft LTFP has been developed in accordance with Council's financial principles, including intergenerational equity, transparent decision making, appropriate use of borrowings and sustainable asset renewal funding.
6. The financial projections indicate that Council can maintain positive long-term financial outcomes while responding to increasing infrastructure renewal requirements and continuing to invest in strategic priorities.

Asset Renewal and Infrastructure Investment

7. A key feature of the Draft LTFP is the funding pathway established to address the asset renewal requirements identified through the adopted Infrastructure and Asset Management Plans. The Draft LTFP progressively increases funding for asset renewal and is forecast to achieve a 100% Asset Renewal Funding Ratio by 2031/32.
8. The Draft LTFP includes investment in the renewal and maintenance of roads, footpaths, buildings, parks, public spaces and other community infrastructure, together with provision for significant future renewals including Adelaide Bridge, Torrens Weir and Rundle UPark.
9. Over the ten-year period, the Draft LTFP includes approximately \$849 million in asset renewal expenditure and approximately \$142 million for identified new and upgraded assets.

Revenue and Borrowings

10. The Draft LTFP assumes rates revenue growth broadly aligned with inflation while incorporating development growth and targeted increases necessary to support long-term asset renewal funding requirements. This approach seeks to balance affordability considerations with Council's responsibility to maintain services and infrastructure.
11. Borrowings continue to be used as an appropriate funding mechanism for major infrastructure projects and long-lived assets that provide benefits across generations. Projected debt levels remain within Council's adopted prudential limits throughout the period of the Draft LTFP.

Risk and Opportunities

12. The Draft LTFP identifies a range of risks and opportunities that may impact future financial outcomes, including inflation, workforce costs, construction cost escalation, interest rate movements, legislative reform and availability of external funding.
13. The Draft LTFP also identifies opportunities to improve long-term financial resilience through strategic property initiatives, future fund investments, digital transformation, productivity improvements and continued advocacy for external funding contributions toward major infrastructure projects.

Key Outcomes

14. The Draft 2026/27 - 2035/36 Long Term Financial Plan demonstrates that the City of Adelaide can maintain long-term financial sustainability while continuing to invest in critical infrastructure, community assets and

strategic city-shaping initiatives. The Draft LTFP has been developed in alignment with Council's Strategic Plan, Infrastructure and Asset Management Plans, 2026/27 Annual Business Plan and Budget, and adopted financial principles.

15. Key outcomes of the Draft LTFP include:

- 15.1. Financial sustainability is maintained over the ten-year planning period through ongoing operating surpluses, responsible expenditure management and sustainable revenue growth.
- 15.2. Asset renewal funding progressively improves, with the Asset Renewal Funding Ratio increasing to 100% by 2031/32, ensuring infrastructure is renewed at the rate it is consumed and reducing the risk of future asset deterioration.
- 15.3. Approximately \$849 million in asset renewal expenditure is forecast over the life of the Draft LTFP, together with approximately \$142 million in new and upgraded assets, supporting community services, economic activity and city growth.
- 15.4. Borrowings remain within Council's adopted prudential limits throughout the planning period and continue to be used appropriately to fund long-lived assets that deliver benefits across multiple generations.
- 15.5. Significant asset renewals remain the most material long-term financial challenge, including Adelaide Bridge, Torrens Weir and Rundle UPark. The Draft LTFP adopts a conservative position by assuming these projects are funded by Council unless external funding is secured.
- 15.6. Advocacy for State and Federal funding remains a priority, recognising the regional and state significance of several major infrastructure assets and the substantial benefits external contributions could deliver to Council's long-term financial position.
- 15.7. Opportunities to strengthen financial resilience are actively being pursued, including strategic property initiatives, investment through the Future Fund, growth in the city rate base, and productivity improvements through digital transformation and artificial intelligence.

16. Overall, the Draft LTFP provides a balanced and sustainable pathway that supports the ongoing delivery of services, responsible stewardship of community assets, and investment in Adelaide's future while maintaining affordability, financial flexibility and resilience.

Consultation Process

17. Audit and Risk Committee feedback on the draft LTFP is sought at this meeting and will be provided back to Council.
18. The LTFP's guiding principles and assumptions were discussed in the Audit and Risk Committee through a workshop at its 12 June 2026 meeting.
19. Following the approval of Council, the Draft 2026/27 - 2035/36 Long Term Financial Plan will be placed on public consultation for a period of 21 days – from 9.00am on Wednesday 26 August to 11.59pm Tuesday 15 September 2026.

Next Steps

20. Council will undertake public consultation in accordance with Council's consultation policy and guidelines.
21. At its meeting of 22 September 2026, Council will be provided a report that summarises community feedback received through consultation.
22. At its meeting on 20 October 2026, City Finance and Governance Committee will receive a report with the recommendation that Council at its 27 October 2026 meeting adopt the Draft LTFP (including any updates incorporated from the consultation).

ATTACHMENTS

Attachment A – Draft 2026/27 - 2035/36 Long Term Financial Plan

- END OF REPORT -

LONG TERM FINANCIAL PLAN

2026/27 to 2035/36



ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges the Kurna People of the Adelaide Plains as the Traditional Custodians of the land on which we live, work and gather. We acknowledge and honour their spiritual and cultural stewardship of this country and recognise their deep and enduring relationship with its lands, waters, the sky, and all living things. We pay our respects to Kurna Elders past and present and recognise the important role of emerging leaders in sustaining and strengthening culture.

City of Adelaide tampinhi, ngadlu Kurna yartangka panpapanpalyarrinhi (inparrinhi). Kurna Miyurna yaiya mathanya Wama Tarntanyaku. Parnaku yaiya, parnaku tapa purruna, parnaku yarta, ngadlu tampinhi.

Yalaka Kurna miyurna ithu yaiya, tapa purruna, yarta, kawi, ngayirda kuma puru martinhi, puru warri-apinhi, puru tangka martulayinhi. Kumartarna yaiya miyurna iyangka yalaka ngadlu tampinhi.

TABLE OF CONTENTS

Contents

ACKNOWLEDGEMENT OF COUNTRY 1

ABOUT THE PLAN 4

STRATEGIC CONTEXT..... 5

BASIS OF PREPARATION 6

FINANCIAL SUSTAINABILITY 7

KEY ASSUMPTIONS 9

RISKS AND OPPORTUNITIES..... 14

SENSITIVITY ANALYSIS 17

KEY FINANCIAL INDICATORS 19

FINANCIAL STATEMENTS 25

KEY FINANCIAL INDICATOR FORECAST..... 31

10 YEAR CAPITAL PROGRAM..... 32

KEY ASSUMPTIONS (INDICES) 34

GLOSSARY 35

ABOUT THE PLAN

As the capital city council of South Australia, the City of Adelaide operates in a unique environment.

We provide infrastructure and services that support not only our residents, but a significantly larger daily population of workers, students, and visitors. We maintain assets of state importance and contribute to the economic, cultural, and civic life of the State. This broader role shapes both the scale of our responsibilities and the financial context in which we operate.

This Long Term Financial Plan (LTFP) sets out how Council will manage these responsibilities in a financially sustainable manner over the next ten years. It provides a framework for balancing service delivery, infrastructure investment, asset stewardship and financial capacity, ensuring that resources are allocated in a way that supports both current and future community needs.

The Plan recognises that demand for services, infrastructure and investment within the City consistently exceeds the revenue available through a rates-based funding model. As a result, the Council must continually make informed decisions about priorities, affordability, and value to ensure long-term sustainability.

The LTFP is a strategic planning tool that aligns projected revenue, expenditure, asset investment and borrowings with Council's objectives. It does not necessarily determine specific projects, services or annual budget decisions. Rather, it provides the financial framework within which those decisions can be made, allowing Council to assess future scenarios, understand financial risks and opportunities, and evaluate the long-term impacts of its decisions.

A number of significant challenges will shape Council's financial outlook over the coming decade, including renewing ageing infrastructure, responding to a growing and changing community, managing cost pressures, and ensuring the continued delivery of high-quality services. Addressing these challenges while maintaining a strong financial position is fundamental to Council's role as South Australia's capital city council.

To guide decision-making, the Plan is underpinned by a Financial Strategy focused on three key areas:

- **Sustainable Services:** ensuring services remain affordable, effective, and responsive to community needs.
- **Infrastructure Investment:** maintaining and renewing assets while supporting future growth and development.
- **Financial Position:** preserving Council's long-term financial capacity and resilience.

The Plan measures performance against a range of financial strategy parameters and industry benchmarks. While individual indicators may fluctuate in particular years, the overall objective is to maintain positive financial trends and achieve financial sustainability over the life of the Plan.

Importantly, the LTFP is a living document. It will be reviewed and updated regularly to reflect changes in economic conditions, legislative requirements, funding arrangements and community expectations. Through this process, Council will continue to ensure that financial sustainability remains at the centre of planning, investment and service delivery decisions, enabling the City of Adelaide to confidently meet the needs of current and future generations.

The Long Term Financial Plan provides the financial roadmap to support a vibrant, sustainable and resilient capital city for the future.

STRATEGIC CONTEXT

Council's financial planning is undertaken in an environment of increasing complexity. Community expectations continue to evolve, requiring investment in public infrastructure, environmental sustainability, city activation, community wellbeing and economic development. At the same time, rising costs, inflationary pressures, asset renewal requirements and uncertainty in the broader economic environment place increasing demands on Council's financial resources.

The City's infrastructure portfolio represents a significant community asset and includes roads, footpaths, parks, buildings, community facilities and public spaces. Maintaining and renewing these assets at appropriate service levels is essential to preserving community value and supporting the ongoing growth and vitality of the city.

The LTFP supports the delivery of Council's Strategic Plan 2024-28 by aligning financial capacity with strategic priorities. It provides a mechanism for assessing the long-term affordability of services and infrastructure, evaluating emerging opportunities and risks, and ensuring that decisions made today do not compromise future financial sustainability.

The Plan has been prepared on the principle of intergenerational equity, recognising that the cost of delivering services and investing in infrastructure should be shared fairly between current and future beneficiaries. It also seeks to balance investment needs with the capacity of the community to fund those investments through rates, fees, charges and other revenue sources.

Over the next ten years, Council will continue to face a range of strategic challenges and opportunities, including:

- Renewing and maintaining ageing infrastructure assets.
- Supporting population growth and economic development.
- Responding to changing community expectations and service demands.
- Managing financial impacts associated with inflation and cost escalation.
- Advancing environmental sustainability and climate resilience initiatives.
- Maintaining financial flexibility and resilience in an uncertain economic environment.

This Plan provides the framework through which Council can respond to these challenges while maintaining a strong and sustainable financial position. It supports responsible stewardship of community resources and the ongoing delivery of services and infrastructure that contribute to Adelaide's success as a thriving capital city.

Strategic Planning Framework

The Long Term Financial Plan forms part of Council's strategic planning framework and is closely aligned with:

- City Plan 2036
- Strategic Plan 2024-2028
- Long Term Financial Plan
- Suite of Asset Management Plans

Together, these plans ensure that Council's strategic objectives are supported by a financially sustainable and achievable funding pathway.

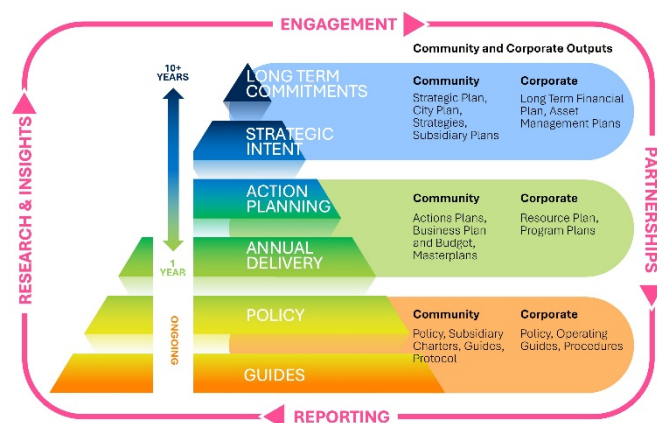


Figure 1: City of Adelaide Strategic and Corporate Planning Approach

BASIS OF PREPARATION

This Long Term Financial Plan (LTFP) presents Council's projected financial position for the ten-year period from 2026/27 to 2035/36.

The Plan has been prepared to support long-term decision-making and financial sustainability and forms part of Council's integrated planning framework. It has been developed based on the 2026/27 Business Plan and Budget, the City of Adelaide Strategic Plan 2024-2028, adopted Infrastructure and Asset Management Plans, and other relevant strategic and financial policies.

The LTFP has been prepared in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. It is reviewed and updated annually to reflect changes in Council priorities, financial performance, economic conditions and other relevant information.

As a long-term forecast, the Plan is based on assumptions and estimates about future events and conditions. Actual results will vary from those projected due to factors that cannot be known with certainty at the time of preparation. The LTFP should therefore be regarded as a strategic planning tool rather than a prediction of future financial outcomes.

In developing the financial projections, Council has considered:

- Strategic priorities contained within the City of Adelaide Strategic Plan.
- Infrastructure renewal, upgrade and new asset investment requirements identified through adopted Infrastructure and Asset Management Plans.
- Council's current financial position and long-term financial sustainability objectives.
- Population growth, economic activity, inflation, interest rates and other relevant economic assumptions.
- Current and anticipated service levels, reflecting community needs and expectations.
- Revenue and funding mechanisms available to Council, including rates, fees and charges, grants, borrowings and investment income.
- Council policies relating to rating, treasury management and financial governance.
- Opportunities, risks and emerging cost pressures, including the impacts of climate change and evolving service demands.

The assumptions underpinning the LTFP are reviewed annually to ensure the Plan remains relevant, realistic and responsive to changing circumstances.

FINANCIAL SUSTAINABILITY

The City of Adelaide's financial sustainability goal is to maintain the capacity to deliver services, manage and renew infrastructure, and invest in the future prosperity of the city without placing an unreasonable financial burden on current or future generations.

Financial sustainability is fundamental to Council's ability to fulfil its role as South Australia's capital city council. It requires balancing community expectations, service delivery and infrastructure investment with the financial resources available to support them, both now and over the long term.

Consistent with this objective, Council has adopted the Australian Local Government Association's definition of financial sustainability:

"A council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

This approach is underpinned by two key principles:

- **Intergenerational equity:** ensuring that the current generation contributes appropriately to the cost of the services and infrastructure it consumes.
- **Prudent investment:** ensuring that borrowings used to fund long-lived assets and infrastructure are managed responsibly and do not place an unreasonable burden on future generations.

Maintaining financial sustainability requires Council to generate sufficient operating surpluses, adequately fund the renewal of existing assets, responsibly manage debt and maintain the financial flexibility required to respond to future opportunities and challenges.

Financial Sustainability Context

Over recent years, Council has undertaken a deliberate program of budget repair to strengthen its financial position and address structural financial pressures that had impacted its ability to sustainably renew assets, invest in infrastructure and deliver services.

These actions have significantly improved Council's financial outlook. While important progress has been made, maintaining and building upon these gains remains critical to ensuring long term financial

sustainability.

Council continues to operate in a challenging financial environment. Like households, businesses and governments across Australia, it faces ongoing cost pressures associated with inflation, construction escalation and increasing service delivery costs. At the same time, expectations for maintaining high-quality public infrastructure and services continue to grow.

In 2024, Council adopted six Infrastructure and Asset Management Plans (IAMPs), which identified a substantially higher level of investment required to maintain and renew Council's infrastructure assets.

Consistent with Council's financial principles and local government best practice, the funding required to renew existing assets is primarily sourced through operating revenue. This approach supports intergenerational equity by ensuring the cost of consuming infrastructure is borne by those who benefit from it.

Accordingly, the focus of this Long Term Financial Plan is not solely on achieving financial sustainability, but on maintaining it. The Plan provides a framework that supports continued investment in infrastructure and services while preserving Council's long-term financial resilience and capacity to respond to future opportunities and challenges.

Financial Principles

Council has adopted a set of financial principles that underpin this Long Term Financial Plan and guide financial decision-making across the organisation. These principles provide a framework for balancing community expectations, service delivery, infrastructure investment and financial sustainability.

The principles promote transparency in decision-making, equitable funding arrangements, responsible stewardship of community assets and the long-term financial capacity of the Council. They support a sustainable approach to rates, fees and charges, prudent use of borrowings, and investment in infrastructure and services that remains affordable over time.

Together, these principles form Council's Financial Strategy and provide the foundation for the Long Term Financial Plan. They guide the development of annual budgets, inform major financial decisions and support Council's objective of delivering sustainable outcomes

for the community while maintaining a strong financial position.

The financial principles guiding this Long Term Financial Plan are:

- Transparency in decision making.
- Adopting an approach to rates, fees and charges that is fair and equitable.
- Reflecting the community's service delivery needs.
- Continuing delivery of at least the current suite of services and asset maintenance, indexed in line with Consumer Price Index (CPI).
- Adopting fees and charges that reflect the cost of services provided.
- Maintaining the current rating system.
- Maintaining an operating surplus.
- Capitalising on external funding opportunities and recognising the potential need for increased borrowings where matched funding delivers community benefit.
- Considering new and diversified revenue streams and the role of Council's commercial businesses to reduce reliance on existing revenue sources.
- Adjusting rate revenue after consideration of all other budget components, while recognising growth revenue as a contributor to servicing new rateable properties and borrowings.
- Funding new or enhanced services, assets and maintenance through reprioritisation, additional revenue or savings, rather than borrowings.
- Basing capital renewal expenditure on adopted Asset Management Plans and prioritising investment according to asset condition and risk.
- Provisioning a future fund from proceeds of underperforming asset divestments to support investment in future revenue-generating assets.
- Considering the disposal, acquisition and repurposing of property assets to unlock future value and prosperity for the City without incurring a financial loss.
- Using borrowings to fund new and upgrade projects, including major projects, rather than operating activities or asset renewal.

- Using short-term borrowings to support the Asset Renewal Repair Fund, enabling increased renewal expenditure to be spread over time and repaid through temporary sustainable rate increases.
- Generating a Cash Flow from Operations Ratio greater than 100 per cent to ensure sufficient operating cash is available to fund asset replacement and service debt obligations.

Measuring Financial Sustainability

The effectiveness of Council's Financial Strategy is assessed through a range of financial sustainability indicators. These indicators provide an objective measure of Council's capacity to fund services, maintain and renew infrastructure, and manage its financial obligations over the long term.

Financial sustainability is principally monitored through three key indicators:

- **Operating Surplus Ratio:** measures the affordability of Council's services by comparing operating revenue with operating expenditure.
- **Net Financial Liabilities Ratio:** measures the affordability of Council's borrowings and financial commitments relative to operating revenue.
- **Asset Renewal Funding Ratio:** measures the extent to which Council is funding the renewal of its existing assets relative to the level of renewal required.

These indicators are widely used across the local government sector and provide insight into Council's operating performance, financial capacity and asset sustainability.

In addition to these core indicators, Council monitors a broader suite of financial and operational measures to assess financial performance, resilience and long-term sustainability. Collectively, these measures provide a comprehensive view of Council's financial health and support informed decision-making.

The Long Term Financial Plan tracks these indicators over the ten-year planning horizon and compares performance against industry benchmarks. While individual indicators may fluctuate from year to year because of specific projects, economic conditions or strategic decisions, the overall objective is to maintain positive long-term trends and achieve sustainable financial outcomes over the life of the Plan.

KEY ASSUMPTIONS

The Long Term Financial Plan is based on a series of assumptions about future economic conditions, service delivery requirements, asset investment needs and funding sources. These assumptions provide the foundation for the financial projections contained within the Plan and are reviewed annually to reflect emerging information and changing circumstances.

The key assumptions underpinning the Plan relate to:

- Rate revenue growth.
- Fees and charges.
- Salaries and wages.
- Other operating revenue and expenditure.
- Inflation and interest rates.
- Capital investment and asset renewal requirements.

As a long-term forecasting document, actual financial outcomes will vary from those projected. The assumptions adopted represent Council's best estimate of future conditions at the time of preparing the Plan.

Forecast Inflation

Forecast inflation is a key driver of both Council's revenue and expenditure projections.

The South Australian Centre for Economic Studies (SACES) forecasts have been adopted for the 2026/27 Budget and the initial years of the Long Term Financial Plan where available. For later years, the Plan assumes inflation consistent with the midpoint of the Reserve Bank of Australia's long-term target range of 2.0% to 3.0%.

Using these recognised forecasting sources provides consistency across the planning horizon and ensures that assumptions reflect both local economic conditions and broader national economic expectations.

Rates

Rates are Council's primary source of recurrent revenue and play a critical role in supporting the financial sustainability objectives of this Plan.

Over the life of the Plan, rate revenue growth has been modelled to align broadly with forecast inflation, while also incorporating revenue growth from new developments and targeted increases required to

support Council's infrastructure renewal and financial sustainability objectives.

The Plan includes:

- Growth from new developments and capital improvements of approximately 1.5% per annum.
- A temporary increase of 2.0% in the short term through to 2027/28 to support the transition from the budget repair phase while balancing community expectations and capacity to pay.
- An additional increase of approximately 0.4% to 0.5% per annum over eight years to progressively improve the Asset Renewal Funding Ratio and address identified infrastructure renewal funding requirements.

This approach reflects Council's commitment to maintaining service levels, sustainably funding asset renewal and preserving financial sustainability, while seeking to minimise the financial impact on ratepayers.

Rate revenue projections are reviewed annually and may be adjusted in response to changes in economic conditions, inflation forecasts, property valuations, growth trends and Council priorities.

Fees and Charges

Fees and charges represent an important source of revenue and are reviewed annually as part of the Business Plan and Budget process. Council seeks to ensure that fees appropriately reflect the cost of service delivery, market conditions and broader strategic objectives.

There are three principal types of fees charged by Council:

- General fees and charges set by statute (via the State Government)
- General fees and charges set by Council (or under delegation)
- Commercial fees and charges set under delegation.

Statutory charges, such as fees associated with services regulated under the *Road Traffic Act 1961*, the *Planning, Development and Infrastructure Act 2016*, the *South Australian Public Health Act 2011*, the *Food Act 2001* and the *Dog & Cat Management Act 1995* reflect dollar increments or percentage increases as specified by the respective authority or body.

Fees and charges set by Council or under delegation are reviewed each year in conjunction with the development of the Business Plan and Budget. The review ensures that the fees:

- Reflect (or move progressively toward) the cost of the services delivered
- Are comparable with market rates, where appropriate
- Take into account benefit derived by users of community facilities
- Are consistent with directions articulated through our existing policies or plans
- Are consistent with our Strategic Financial Parameters.

For the purposes of the LTFP, it is assumed that fees and charges will increase, on average, in line with CPI unless there are specific circumstances that will have a material impact on the quantum of fees and charges, such as changes in property tenancies associated with the Adelaide Central Market Arcade Redevelopment.

Fees for Council's commercial operations, including commercial properties and the UPark car parks will be subject to market conditions and commercial considerations on a year by year basis. However, for the LTFP, increases have been aligned to the movement in the price index.

Grants, Subsidies and Contributions

Ongoing grants, subsidies and contributions are assumed to continue for the life of the Plan unless existing agreements are known to expire, change or cease.

Where grants, subsidies and contributions are for specific projects or related to specific events, they will be recognised in the LTFP in line with the relevant accounting standards.

Employee Costs

Salaries and wages forecasts are based on current and/or expected enterprise agreement outcomes. Employee cost projections reflect the terms of existing enterprise agreements. Where there is no current agreement the increase assumption is based on CPI. Actual increases will be dependent upon future enterprise agreement negotiations, with new agreements reflected in the LTFP upon the completion

of negotiations. Increases in the Superannuation Guarantee are consistent with Australian Taxation Office advice.

Contractual Expenditure and Materials (including Utilities)

Expenditure is generally increased by the price index unless there are specific costs of a material value that are known or forecast to vary significantly from the price index (e.g. electricity contract, hard waste levy).

Service Delivery

City of Adelaide is responsible for the delivery of a range of service offerings to its ratepaying community and visitors alike. Council delivers these services through its 17 Programs and three wholly owned subsidiaries (Adelaide Central Market Authority; Adelaide Economic Development Agency; Kadaltilla/Adelaide Park Lands Authority). The LTFP assumes that Council will continue to deliver services broadly consistent with the levels adopted in the 2026/27 Business Plan and Budget. Any future changes to service levels approved by Council will be reflected in subsequent updates to the Plan.

North Adelaide Golf Course

The South Australian Government enacted the *North Adelaide Public Golf Course Act 2025* to facilitate the development of a new North Adelaide Golf Course, ensure its ongoing use as a championship golf course and public facility, and provide for related purposes. In accordance with the Act, ownership of assets located within the project site transferred to the designated Minister on 27 April 2026.

Following the transfer of the project site to the Minister, the City of Adelaide has continued to provide limited golf course operations under an interim agreement with the State Government during the construction phase. The revised LTFP now assumes these interim operational arrangements will cease in 2027/28. The combined effect of these changes is a reduction in both capital renewal requirements and ongoing operating activity within the LTFP, aligning the City's long-term financial projections with its reduced asset ownership and operational responsibilities.

Asset Maintenance, Renewal and Upgrade

Forecast expenditure in the LTFP is presently based on the 2024 AMPs updated based on current condition and risk. Asset Renewal costs for the life of the LTFP are \$849.1 million, with the majority of spend allocated to infrastructure of \$714.5 million and the remainder on corporate or commercial based assets as detailed within the Key Assumptions (Capital) section.

City of Adelaide is responsible for the management, operation and maintenance of the city's infrastructure, a diverse property portfolio and plant, fleet and equipment.

Asset Management Plans (AMPs), which form part of Council's Strategic Management Plans, are reviewed in detail every four years to identify asset condition and consumption to assist in resource and maintenance planning. Detailed modelling enables Council to optimise maintenance and renewal expenditure to ensure optimal asset lifecycles and sustainability. The ten-year AMPs will also consider new infrastructure needs to meet future community service expectations in a sustainable manner.

AMPs are to be funded through operating revenue, and by recognising the need to balance the community's capacity to pay while ensuring community expectation is met, the LTFP represents a gradual return to 100% ARFR over eight years from 2024/25 to 2031/32, primarily as a result of the increased funding required through the recently adopted AMPs.

Whilst the AMPs include all forecast renewal expenditure, there are significant renewals identified within the AMP over the next ten years. This section and Table 3 illustrated within the 10 year capital program exclude them for the purposes of identifying funding pathways to ensure intergenerational equity.

Significant Renewals

The LTFP includes the renewal of three significant assets: Adelaide Bridge, Torrens Weir, and Rundle UPark. The current assumption within the LTFP is that Levels of Service associated with these assets will remain the same.

The renewal costs for these assets across the life of the LTFP totals \$64.5 million as detailed within the 10 year capital program section. It is assumed that all significant renewals will be funded 100% by Council.

Adelaide Bridge

The 2024 Transportation AMP assumes that the Adelaide Bridge will be renewed on a like-for-like basis with existing load bearing. This once in a generation renewal will place substantial pressure on the existing ratepayer base. Structural audits have been undertaken in conjunction with an options analysis to provide more detailed approaches and costs.

Both the LTFP and AMPs are revised on an annual basis. Consistent with the 2025/26 LTFP, both the LTFP and AMP assume a rehabilitation of the bridge with an increase to the bridge load limit to 75% of SM1600 load, with Council funding 100%.

This position paves a way forward for continued advocacy with other levels of government to increase the load limit.

Torrens Weir Structure

The 2024 Water Infrastructure AMP assumes that the Torrens Weir Structure will be renewed on a like-for-like basis. This once in a generation renewal will place substantial pressure on the existing ratepayer base. As such, structural audits have been undertaken in conjunction with options analysis to provide more detailed information on potential approaches and costs.

Both the LTFP and AMPs are revised on an annual basis. Consistent with the 2025/26 LTFP, both the LTFP and AMP assume a rehabilitation of the global weir structure to extend the remaining economic life of the structure by 50 years, with Council funding 100%.

Rundle UPark

The Building 2024 AMP assumes that the UPark will be renewed on a like-for-like basis. The previous term of Council removed the like-for-like renewal from the LTFP on the basis that it would undertake an EOI process to explore joint venture opportunities that would realise the property's development potential, and that the EOI process would consider adaptable reuse opportunities.

Whilst the future of the site is still to be determined, Council resolved in 2025 to reinstate the renewal of the UPark and associated income and expenditure into the LTFP. The renewal is assumed to be an extension of its useful life, rather than a replacement. A structural condition audit will determine risks, timing and associated costs with extending the useful life of the

building, however for the purpose of the both the LTFP and AMP, a \$15 million allocation in today's dollars (\$16.5 million indexed) has been included to extend its useful life to align to current lease/contract end dates.

Asset Renewal Repair Fund

Council recognises that maintaining an Asset Renewal Funding Ratio below 100% over an extended period represents an underinvestment in existing assets and infrastructure. Following the adoption of the 2024 Infrastructure and Asset Management Plans, Council identified an additional renewal funding requirement of approximately \$14.9 million per annum compared with previous plans. This funding gap gave rise to the Asset Renewal Repair Fund (ARRF).

Short term borrowings have been used to fund the ARRF (from 2025/26 to 2027/28), to ensure the increased spending required through the revised Asset Management Plans are smoothed through sustainable rate increases, mitigating the immediate burden that would otherwise be incurred by current ratepayers.

The AMPs, in line with adopted principles, are funded through operating revenue. The 2026/27 LTFP continues to recognise the need to balance the community's capacity to pay while ensuring community expectation is met. As a result, Council has resolved to transition to a 100% ARFR over an eight-year period, reaching 100% in 2031/32.

New and Upgraded Assets

New and Upgraded Assets, including property transactions and developments such as Central Market Arcade redevelopment and Mainstreet Upgrades, have been incorporated in the LTFP where a Council decision or commitment to progress the project has been made.

The total spend on identified new and significant upgrades for the life of the LTFP is \$141.7 million, as detailed within the Key Assumptions (Capital) section.

New and Upgraded Assets allocations are subject to a Business Case approved by Council and should align to adopted strategies and plans. They are funded through borrowings where no external funding or excess cash flow from operations is available.

In previous adopted LTFPs, Council adjusted the Capital Program in the outer years to fit within its current Prudential Borrowing Limits (after considering all other LTFP components), identifying a \$23.2 million forward

allocation. This resulted in a limited "financial cushion" available to Council and was a focus area identified within the Essential Services Commission SA (ESCOSA) Advice to Local Government provided in 2024/25.

The 2026/27 to 2035/36 LTFP has reduced the forward allocation to \$17.5 million as a result of Council decisions to fund New and Upgraded assets not previously identified. Regardless of its reduction, this allocation continues to create capacity within the current Prudential Borrowing Limits and provide a "financial cushion".

Council's commitment to invest 1.5% of Rates Revenue to renew and upgrade buildings within the Park Lands has been maintained, equating to a total investment of \$27.9 million from 2027/28, of which \$18.0 million is allocated to New and Significant Upgraded Assets. Refer to the detail within the 10 year capital program section.

Where capital expenditure is in excess of \$4 million (escalated in line with the Prudential Management Policy), prior to commencement, approval is subject to a prudential report being presented and considered by Council to understand the impact on the LTFP.

Depreciation, Amortisation and Impairment

Depreciation is informed by Asset Management Plans and reflects increases in valuations and new asset additions.

Amortisation and impairments are determined by condition audits and revaluations. No specific forward assumptions have been factored into the LTFP but any adjustments will be incorporated into the base budget and LTFP each year, if and when necessary.

Interest and Borrowings

Council's services, projects and infrastructure works are predominantly funded through rates, fees and charges, grants and subsidies. Borrowings are principally utilised for new and upgrade infrastructure projects, including city shaping projects such as the redevelopment of Central Market Arcade, significant community infrastructure and commercially focused projects with a financial return on investment.

For significant renewals, such as Adelaide Bridge and the Torrens Weir, debt may have to be utilised to deliver these projects. The LTFP assumes that Council funds these projects by drawing on debt. As such, Council's debt is set to increase significantly in the years in which

this expenditure is forecast to occur. To mitigate the significant financial impact of these two projects, Council will actively seek funding assistance with these projects.

City of Adelaide has utilised the Reserve Bank of Australia data as a source for projecting interest rates for the purposes of the LTFP. The rates are reviewed quarterly and are based on the latest information and indicators.

Council's Subsidiaries

City of Adelaide has three wholly owned subsidiaries: Adelaide Central Market Authority; Adelaide Economic Development Agency; and Kadaltilla/Adelaide Park Lands Authority, and an equity share in Brownhill & Keswick Creeks Stormwater Board.

The LTFP assumes that service delivery of the subsidiaries will remain unchanged and is delivered at the same, consistent levels assumed in the 2026/27 annual budget.

Capital, funding and operating costs required for the Adelaide Central Market Authority expansion have been assessed for amounts and timing from 2026/27 onwards and have been incorporated into the LTFP. Increased operating revenues and expenses are assumed once the expanded Market begins to operate in 2026.

RISKS AND OPPORTUNITIES

The Long Term Financial Plan has been prepared using the best information available at the time of adoption. As a forward-looking document, however, it is subject to uncertainty and cannot fully anticipate future economic, legislative, environmental, technological or market changes.

The Plan should therefore be considered a strategic planning tool that enables Council to evaluate financial impacts, assess alternative scenarios and support informed decision-making. Regular review of the LTFP ensures that emerging risks and opportunities can be incorporated into future financial planning.

Revenue and Funding Risk: Rates Revenue Growth

Rates are Council's primary source of recurrent income and are critical to maintaining long-term financial sustainability. Changes in growth assumptions have a material impact on the LTFP as they become embedded in Council's revenue base over time.

The 2026/27 financial year saw overall rates revenue growth of 7.1 per cent, including growth from development, Asset Renewal Repair Fund (ARRF) funding and Asset Renewal Funding Ratio (ARFR) improvements. This increase has strengthened Council's capacity to fund services and infrastructure over the life of the Plan.

Maintaining alignment between revenue growth and cost growth remains essential to ensuring Council can continue to deliver services and maintain infrastructure at expected levels.

Council Action:

- Monitor market indicators, valuation trends and development activity to inform future rate revenue forecasts.
- Review rates assumptions annually to reflect the latest available information.
- Balance future rate increases against community affordability while maintaining financial sustainability and service levels.
- Utilise borrowings where appropriate to spread the cost of significant infrastructure investments across current and future beneficiaries.

Revenue and Funding Risk: Legislative and Regulatory Changes

Local government operates within a changing legislative environment. Recent reforms, including the introduction of the Rates Oversight Scheme administered by the Essential Services Commission of South Australia (ESCOSA), may influence Council's ability to respond to future financial pressures through rates revenue.

While the long-term impacts of the scheme are still emerging, future regulatory changes may affect the flexibility of councils to respond to changing circumstances.

Council Action

- Continue engagement with ESCOSA, the Local Government Association of South Australia and the State Government regarding regulatory reform.
- Ensure Council's financial planning remains evidence-based, transparent and aligned with legislative requirements.
- Maintain a sustainable rating approach that supports community outcomes and long-term financial sustainability.

Revenue and Funding Risk: Fees, Charges and Commercial Revenue

Fees and charges represent a significant component of Council's revenue base, accounting for approximately 36 per cent of total operating income. Revenue generated from parking, commercial property and other user-pays services remains influenced by economic conditions, visitation levels and market demand.

The COVID-19 pandemic demonstrated the extent to which Council is exposed to fluctuations in these revenue streams.

Council Action:

- Continue to optimise and diversify fee and charge revenue streams.
- Align pricing structures with service utilisation and cost recovery principles.
- Monitor performance quarterly and update projections as required.

- Reduce reliance on any single source of revenue over time.

Revenue and Funding Risk: Interest Rates and Borrowing Costs

Interest rates continue to influence Council's borrowing costs and investment returns. While inflationary pressures have somewhat moderated, future movements in interest rates remain uncertain and will continue to affect the affordability of debt-funded projects.

As Council's investment and infrastructure program progresses, debt levels are expected to increase relative to historical levels, increasing sensitivity to interest rate movements.

Council Action:

- Regularly review interest rate forecasts and market conditions.
- Manage borrowings in accordance with Council's Treasury Policy.
- Monitor debt affordability through the Net Financial Liabilities Ratio and other sustainability measures.
- Maintain flexibility within Council's borrowing capacity to respond to emerging opportunities and risks.

Revenue and Funding Risk: External Funding

The LTFP has been prepared on a conservative basis, assuming that Council will fund its operating activities and asset renewal requirements primarily through its own revenue sources unless external funding has already been confirmed.

Many strategic projects may benefit from contributions from the Australian Government, South Australian Government or other funding partners. Failure to secure external funding could increase pressure on Council's own resources.

Council Action:

- Continue advocacy with other levels of government on projects of regional and state significance.
- Seek grant and funding opportunities that reduce the burden on ratepayers.
- Position projects to maximise eligibility for future funding programs.

- Ensure funding assumptions are updated as certainty improves.

Asset and Cost Risk: Inflation and Cost Escalation

Although supply chain disruptions have largely eased, Council continues to face cost pressures associated with labour, construction materials, utilities, specialist services and infrastructure delivery.

These pressures have the potential to increase both operating expenditure and capital project costs beyond current forecasts.

Council Action:

- Maintain robust procurement and contract management practices.
- Seek value-for-money outcomes through competitive procurement processes.
- Monitor construction and service delivery markets.
- Identify efficiency opportunities to offset cost increases where possible.

Asset and Cost Risk: Employee Costs

Employee expenses represent one of Council's largest areas of expenditure. Future enterprise agreement outcomes and labour market pressures have the potential to increase employee costs beyond current forecast assumptions.

Council Action:

- Maintain workforce planning aligned with service delivery requirements.
- Monitor labour market trends and enterprise agreement negotiations.
- Pursue productivity improvements through process improvement and technology adoption.

Asset and Cost Risk: Asset Valuations and Renewal Costs

Asset valuations influence both depreciation expense and long-term renewal requirements. Increases in replacement costs can result in higher depreciation and greater future asset renewal funding needs.

Given the scale of Council's infrastructure portfolio, changes in valuation assumptions may have a material impact on long-term financial forecasts.

Council Action:

- Undertake regular asset valuation reviews and annual indexation assessments.
- Maintain Asset Management Plans that reflect current construction costs and asset condition information.
- Ensure asset renewal requirements remain appropriately funded through the LTFP.

Strategic Opportunity: Property Strategy and Future Fund

Council's Property Strategy and Action Plan provide an opportunity to strengthen long-term financial sustainability through the active management of Council's property portfolio.

The Strategy establishes a framework for assessing assets and determining whether they should be retained, redeveloped, repurposed or divested to maximise community, strategic and commercial outcomes.

Where appropriate, proceeds from the sale of underperforming assets are allocated to Council's Future Fund in accordance with the Future Fund and Investment Policy. The Future Fund provides a mechanism to invest in strategic projects, revenue-generating opportunities and initiatives that strengthen Council's long-term financial position.

The successful delivery of the Property Strategy is influenced by market conditions, investment opportunities and the timing of transactions. As such, the financial outcomes associated with property initiatives may vary over time.

Council Action:

- Regularly review the performance of Council's property portfolio.
- Identify opportunities to improve strategic, community and commercial outcomes.
- Undertake detailed business case assessments before any property transaction or Future Fund investment.
- Utilise the Future Fund to support strategic investments that enhance financial resilience and diversify revenue sources.

Strategic Opportunity: Artificial Intelligence and Digital Transformation

Artificial Intelligence (AI) and digital technologies present significant opportunities to improve service delivery, increase organisational productivity and support long-term financial sustainability.

As technology capabilities evolve, Council expects to progressively integrate AI and automation into key business processes including finance, procurement, customer service, asset management, planning and corporate services.

Potential benefits include:

- Reduced administrative effort and manual processing.
- Faster customer response times.
- Improved forecasting and decision-making through data analytics.
- Enhanced procurement and contract management.
- Improved risk management and compliance monitoring.
- More effective asset maintenance and lifecycle planning.
- Greater workforce productivity and capacity.

Over time, technology-enabled productivity improvements are expected to help offset a portion of future expenditure growth, supporting service delivery while moderating future rates increases.

Council Action:

- Adopt AI and digital technologies in a responsible and governed manner.
- Invest in employee capability, data management and supporting systems.
- Maintain strong cybersecurity, privacy and ethical oversight frameworks.
- Realise productivity gains that can be redirected towards service delivery, infrastructure investment and improved affordability for the community.

Council will continue to monitor these risks and opportunities as part of its annual review of the Long Term Financial Plan, ensuring that financial strategies remain responsive, sustainable and aligned with the long-term interests of the City and its community.

SENSITIVITY ANALYSIS

The Long Term Financial Plan is based on a range of assumptions relating to economic conditions, revenue growth, expenditure levels, interest rates and asset investment requirements. Given the long-term nature of the Plan, actual results will vary from those projected.

Sensitivity analysis has been undertaken to assess the potential impact of changes in key assumptions on Council's financial position and long-term sustainability. This analysis assists Council in understanding areas of financial risk and informs future decision-making.

A range of scenarios were tested as part of the development of the LTFP. While changes in assumptions such as inflation and interest rates influence projected results, the analysis demonstrated that these variations do not materially alter the long-term financial position of Council. Accordingly, the sensitivity testing presented below focuses on those variables with the greatest potential impact on financial sustainability.

Rates Revenue

Rates revenue is Council's primary source of operating income and a key driver of long-term financial sustainability. The LTFP assumes that rates revenue growth broadly aligns with forecast inflation, supplemented by growth from new developments, capital improvements and targeted increases associated with Council's financial sustainability objectives.

A fundamental principle underpinning the Plan is that revenue growth must generally keep pace with increases in the cost of delivering services, maintaining infrastructure and meeting community expectations. Where rates revenue grows at a slower rate than expenditure over an extended period, structural funding gaps emerge, placing increasing pressure on operating performance, cash flows, asset renewal programs and service delivery.

Council recognises the need to balance financial sustainability with affordability for the community. During periods of cost-of-living pressure, there can be strong expectations for rates increases to remain below inflation. While this approach may reduce short-term impacts on ratepayers, ongoing revenue growth below inflation is not sustainable in the long term unless accompanied by reductions in expenditure, service levels or capital investment.

The sensitivity analysis presented in Table 1 demonstrates the impact of alternative rates growth assumptions on Council's key financial indicators. The results highlight the importance of maintaining a revenue base that is sufficient to support the long-term delivery of services and infrastructure.

The sensitivity analysis in Table 1 demonstrates that ongoing rates revenue growth below inflation is not financially sustainable over the long term without corresponding reductions in expenditure, service levels, or capital investment. The results reinforce the importance of maintaining revenue growth that at least keeps pace with underlying cost escalation.

Table 1 Impact on Key Financial Indicators – rates revenue lower than CPI (scenario)

Rate Revenue Impact	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Average
Operating Surplus Ratio (Scenario)	1.8%	4.1%	2.2%	1.3%	0.9%	0.8%	0.2%	0.0%	(0.2%)	(0.3%)	1.1%
Net Financial Liabilities Ratio (Scenario)	36.2%	46.4%	54.5%	60.6%	64.9%	75.7%	85.0%	88.2%	91.3%	94.4%	69.7%
Asset Renewal Funding Ratio (Scenario)	94.6%	95.5%	96.5%	97.5%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%
Cash Flow from Operations (Scenario)	101%	100%	100%	99%	97%	91%	92%	98%	98%	98%	97.3%
Operating Surplus Ratio (Current LTFP)	1.8%	4.7%	3.3%	3.0%	3.2%	3.6%	3.7%	4.0%	4.5%	5.0%	3.7%
Net Financial Liabilities Ratio (Current LTFP)	36.2%	45.6%	52.2%	56.2%	57.2%	65.3%	70.6%	69.5%	67.8%	65.6%	58.6%
Asset Renewal Funding Ratio (Current LTFP)	94.6%	95.5%	96.5%	97.5%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%
Cash Flow from Operations (Current LTFP)	101%	101%	101%	101%	100%	93%	95%	102%	103%	103%	100%

Significant Renewals

The LTFP includes a number of significant asset renewals identified through Council's Infrastructure and Asset Management Plans, including the Adelaide Bridge and Torrens Weir Structure. These assets provide benefits across multiple generations and are therefore proposed to be funded primarily through borrowings, consistent with the principle of intergenerational equity.

The Plan currently adopts a conservative assumption that Council will fully fund these projects unless external funding has been formally confirmed. This approach ensures that future funding requirements are transparent and that Council remains financially capable of delivering the projects should third-party contributions not be secured.

Securing funding assistance from other levels of government would significantly improve Council's financial capacity by reducing borrowing requirements and creating additional flexibility for future infrastructure investment. This would also reduce financial pressure on future ratepayers and improve several of Council's key financial indicators.

The sensitivity analysis presented in Table 2 illustrates the impact of securing external funding equal to 50 per cent of the renewal cost of both the Adelaide Bridge and Torrens Weir Structure. The analysis demonstrates a noticeable improvement in Council's cash flow performance and overall financial resilience over the life of the Plan while maintaining the planned delivery of these strategically important assets.

Key Findings

The sensitivity analysis highlights that:

- Revenue growth assumptions have the most significant influence on Council's long-term financial sustainability.
- Sustained rates revenue growth below underlying cost escalation is not financially sustainable without corresponding reductions in expenditure, service levels or infrastructure investment.
- External funding for significant asset renewals provides a material improvement in Council's financial position and borrowing capacity.
- Council's long-term financial sustainability is strengthened through a combination of prudent revenue growth, disciplined expenditure management and successful advocacy for external funding contributions.

This analysis reinforces the importance of maintaining a balanced approach that protects affordability for the community while ensuring Council has the financial capacity to continue delivering services, renewing infrastructure and investing in the future prosperity of the City of Adelaide.

Table 2: Securing External Funding for Significant Renewals

Securing External Funding For Significant Renewals Impact	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Average
Operating Surplus Ratio (Scenario)	1.8%	4.7%	3.3%	3.2%	3.5%	6.7%	6.7%	4.0%	4.5%	5.0%	4.3%
Net Financial Liabilities Ratio (Scenario)	36.2%	45.6%	52.2%	55.5%	55.8%	55.4%	54.6%	56.1%	54.9%	53.2%	51.9%
Asset Renewal Funding Ratio (Scenario)	94.6%	95.5%	96.5%	97.5%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%
Cash Flow from Operations (Scenario)	100.6%	100.7%	101.4%	101.7%	100.7%	99.2%	101.9%	102.4%	102.8%	103.4%	101.5%
Operating Surplus Ratio (Current LTFP)	1.8%	4.7%	3.3%	3.0%	3.2%	3.6%	3.7%	4.0%	4.5%	5.0%	3.7%
Net Financial Liabilities Ratio (Current LTFP)	36.2%	45.6%	52.2%	56.2%	57.2%	65.3%	70.6%	69.5%	67.8%	65.6%	58.6%
Asset Renewal Funding Ratio (Current LTFP)	94.6%	95.5%	96.5%	97.5%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%
Cash Flow from Operations (Current LTFP)	101%	101%	101%	101%	100%	93%	95%	102%	103%	103%	100%

KEY FINANCIAL INDICATORS

The Long Term Financial Plan uses a suite of Key Financial Indicators (KFI) to assess Council's financial performance, monitor long-term sustainability and support informed decision-making. Together, these indicators provide an objective measure of Council's capacity to deliver services, maintain infrastructure, manage debt and invest in the future needs of the city.

The indicators assist Council in evaluating the financial implications of strategic decisions and provide an early warning of emerging financial pressures or risks. They also enable performance to be assessed against established industry benchmarks and Council's long-term financial objectives.

Three nationally recognised financial sustainability indicators are widely used across the local government sector and have been adopted by the City of Adelaide as the primary measures of financial sustainability:

- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Renewal Funding Ratio.

In addition, Council monitors a further set of indicators that provide insight into its borrowing capacity (Prudential Borrowing Limit), financial resilience and ability to fund future investment:

- Asset Test Ratio
- Interest Expense Ratio
- Leverage Test Ratio
- Cashflow from Operations Ratio.

The indicators should not be considered in isolation. No single indicator, nor the result achieved in any one year, determines Council's financial sustainability. Financial sustainability is best assessed by considering trends over time and the performance of the indicators as a whole.

It is therefore possible for an individual indicator to fall outside its preferred range in a particular year without indicating financial distress. This may occur because of deliberate strategic decisions, major capital investments, one-off events or changes in economic conditions. Accordingly, the LTFP focuses on achieving sustainable long-term outcomes and maintaining performance broadly within target ranges over the life of the Plan rather than in every individual year.

Operating Surplus Ratio

Definition: Operating surplus as a percentage of operating revenue

What is being measured: This indicator represents the percentage by which total revenue varies from day to day operating expenses. Financial sustainability is indicated where a council consistently achieves operating surpluses and has soundly based projections showing it can continue to do so in the future, having regard to asset management and the service level needs of its community.

Target: The Financial Sustainability Information Paper (FSIP) No. 9 recommends the target is to achieve an average operating surplus ratio between 0% and 10% over any five-year period. However, as a Capital City Council, the City of Adelaide has significant responsibilities in improving its public realm and considers that maintaining an average operating surplus ratio greater than 3% is a more appropriate target.

A target of greater than 3% for the City of Adelaide is to achieve a surplus to fund:

- Operations, Strategic Projects, and Asset Renewals
- Debt Servicing – new and existing
- 1.5% funding for community buildings in the Park Lands (inclusive of renewal and new and upgrade)

Rate revenue growth from new developments contributes to the surplus and forms part of the targeted position.

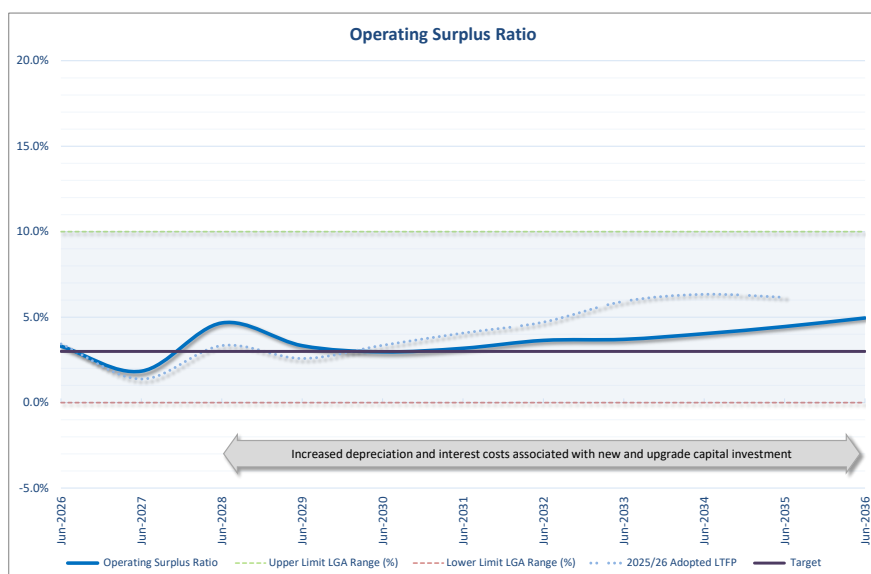
Generating an operating surplus ratio below 3% is not sustainable or equitable in the long term as this results in services consumed by current ratepayers being paid for by future ratepayers. A fair and equitable tax system is one in which taxes paid by each generation is in proportion to the benefits each generation receives.

Explanation of LTFP Projected Results: Other than 2026/27, the ratio sits above the 3% target, and is within the LGA target ranges over the life of the LTFP, reflecting sustainable surpluses based on an increase to base rating revenue to fund renewals, followed by CPI increases thereafter. The underlying structural budget is sustainable over the life of the LTFP.

In particular assumptions relating to preparedness for the Adelaide Central Market expansion result in a reduced operating position in 2026/27 in addition to the assumption to continue to invest in new and upgraded projects (to meet the emerging needs of the community) results in a higher level of assets, and related borrowings.

As such, increased depreciation (from a higher asset base) and interest costs (from higher borrowings) see expenses growing at a faster rate than revenue (which is largely based on CPI increases).

Underpinning current and future sustainability, Council projects operating surpluses over the life of the LTFP.



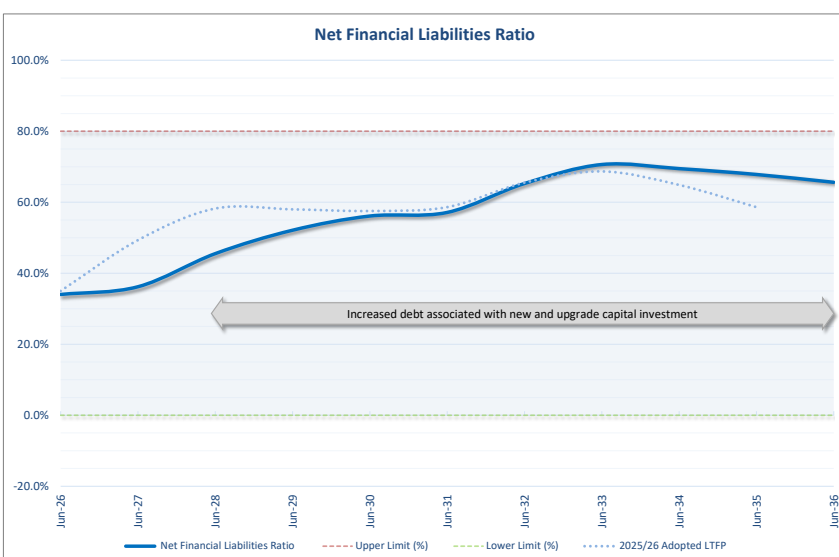
Net Financial Liabilities

This indicator represents the money owed to others less money held, invested or owed to Council.

A council's indebtedness should be managed to ensure its liabilities and associated costs can be met without the prospect of disruptive service cuts and/or excessive rate increases (ie without impinging on financial sustainability). There is in essence no right or wrong target level for net financial liabilities (defined as total liabilities less financial assets) as this depends on infrastructure plans. The ideal target is that net financial liabilities are no greater than annual operating revenue and not less than zero.

Net Financial Liabilities Ratio

Definition: Financial liabilities as a percentage of operating income



What is being measured: This indicator represents the significance of the net amount owed compared with operating revenue. It measures the extent to which Council is managing its debt and highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets from operating income. A steady ratio means Council is balancing the need to borrow against their affordability of debt. An excessive ratio means Council is borrowing beyond its means and cannot generate the income required to service assets and operations.

Target: The LGA recommends that the target for Net Financial Liabilities should be greater than zero (and less than 100%, that is, the amount owed is equal to or less than total annual income). A target below zero indicates that Council places a higher priority on accumulated financial assets than applying funds generated from ratepayers to the provision of services and/or infrastructure renewal. This could leave a council open to accusations that it is overcharging ratepayers relative to its funding needs.

The more conservative target set by City of Adelaide is that liabilities as a percentage of total operating revenue will not exceed 80%.

Explanation of LTFP Projected Results: City of Adelaide's net financial liabilities are within the prescribed target for the life of the plan. Lower ratios in the short term highlight low levels of debt, steadily increasing over the life of the LTFP reflecting increased borrowings to deliver on Council's commitment to invest in new and upgraded assets and fund the significant renewals.

Note that Council's new and upgrade capital program includes an allocation which is not yet committed and can be adjusted within existing prudential limits to respond to emerging needs.

Any increase in contributions towards the significant renewals will allow Council to either maintain a lower level of debt and/or invest more in new and upgrade projects.

The level of borrowings is projected to be within acceptable prudential limits, assisting Council to maintain long-term sustainability. Typical prudential limits set by financial institutions as part of covenants associated with loans are around 80% of asset values. Council has therefore set a conservative limit of 50% of saleable property assets (see below), providing additional comfort in excess of generally accepted banking norms.

It should be noted that the Council has created a Future Fund that 'ring fences' proceeds from the sale of surplus or underperforming assets, to reinvest into revenue generating assets. The funds generated from asset sales effectively offset the level

of borrowings Council would otherwise incur had the assets not been disposed. Accordingly, Council pays less interest over time, incurring interest on a lower 'offset' balance of borrowings.

Note that, were Council to fully draw on the Future Fund, its level of borrowing would still fall within prudential limits.

Chart 1: Net Financial Liabilities Ratio

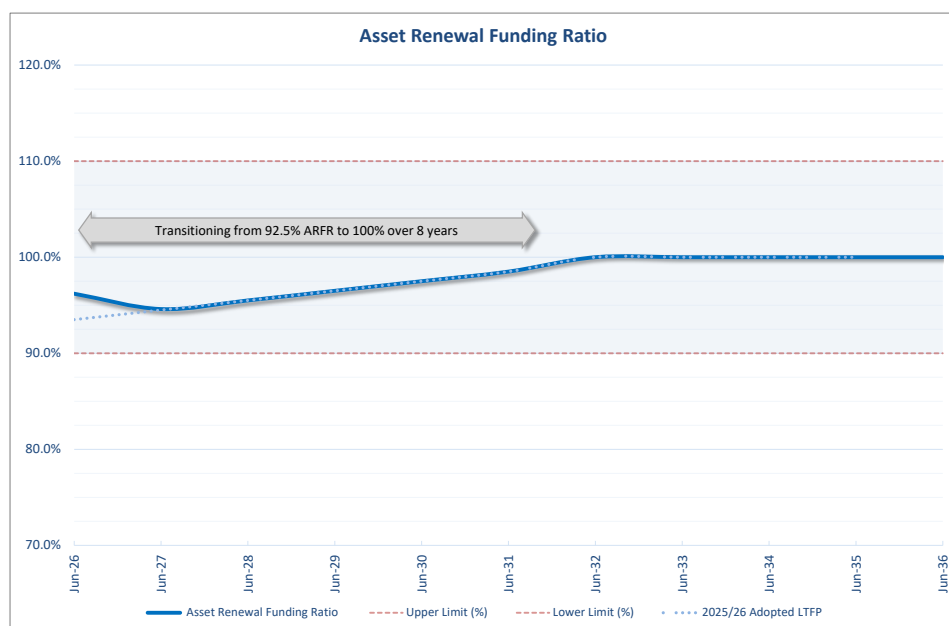
Asset Renewal Funding Ratio (ARFR)

Definition: Expenditure on asset renewals as a percentage of forecast expenditure required as per the asset management plans.

What is being measured: This indicator expresses expenditure on asset renewals as a percentage of the projected funding required. It illustrates whether existing assets are being replaced or renewed at the rate they are being consumed and ensures consistent service delivery as determined by the Asset Management Plans.

Target: A ratio lower than 100% suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A ratio higher than 100% suggests that Council is replacing assets earlier than needed or at a level in excess of that set in the asset management plans. Adoption of a target ratio between 90% and 110%, is in line with the *Local Government Act 1999* (SA).

Explanation of LTFP Projected Results: It is assumed that over the life of the LTFP, asset renewals will be funded



in line with the Infrastructure & Asset Management Plans. In the previous term, Council resolved to set the ARFR (previously the Asset Sustainability Ratio) at 90%. This term of Council recognises the potential impact of this decision and the possible under-investment in assets and infrastructure and, as such, the LTFP assumes transitioning the ARFR from 90% to 100% over eight years. Averages for asset renewal reflect an even performance over the life of the plan. The ratio from 2031/32 onwards represents the transition from 90% to 100%. This ratio should be continually monitored as asset management plans are reviewed and updated.

The ARFR trajectory in this LTFP is consistent with the previously adopted LTFP.

Prudential Limits (Borrowings)

Definition

- Asset Test Ratio: Borrowings as a percentage of total saleable property assets
- Interest Expense Ratio: Annual interest expense relative to General Rates Revenue (less Landscape Levy)
- Leverage Test Ratio: Total borrowings relative to General Rates Revenue (less Landscape Levy) expressed as the number of years of General Rates Revenue required to repay borrowings

What is being measured: The maximum level of debt is prescribed by Council by way of prudential limits. While Council does not place a monetary limit on the level of borrowings: an upper limit is determined through its financial indicators. When borrowing, Council will consider these indicators in terms of total borrowings, and the ability to service the interest incurred and debt repayments.

Target: The Treasury Policy reviewed in 2025 ensures Council's ability to manage cash and borrowings in accordance with prescribed limits.

The Prudential limits set by the Treasury Policy are:

- Asset Test Ratio: Maximum of 50%
- Interest Expense Ratio: Maximum of 10%
- Leverage Test Ratio: Maximum 1.5 Years

Prudential limits are breached when one of the ratios fall outside the targets stipulated in the policy. The breach must be reported with remediation actions to the CEO immediately.

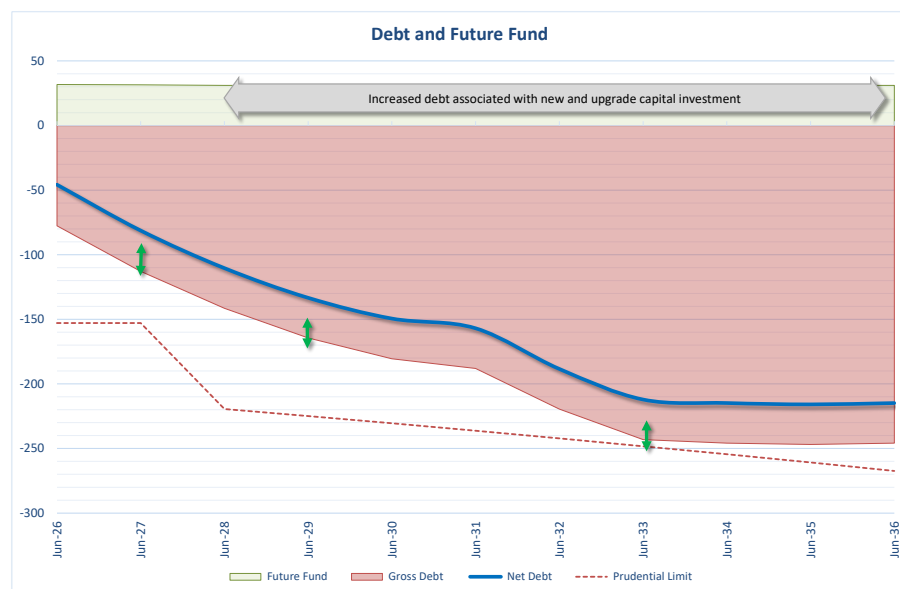
Explanation of LTFP Projected Results: City of Adelaide's borrowings are within target levels across the period of the Long Term Financial Plan.

The Asset Test Ratio shows that Council has capacity within its total saleable assets to be able to meet the repayment of borrowings should the assets need to be sold in order to repay debt.

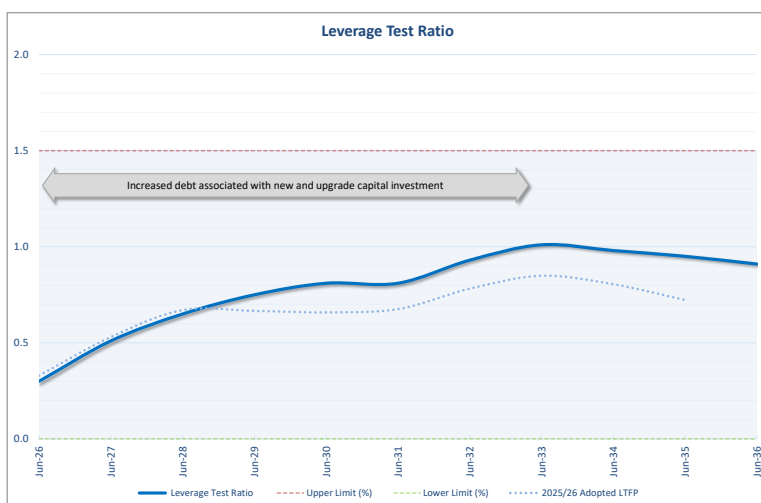
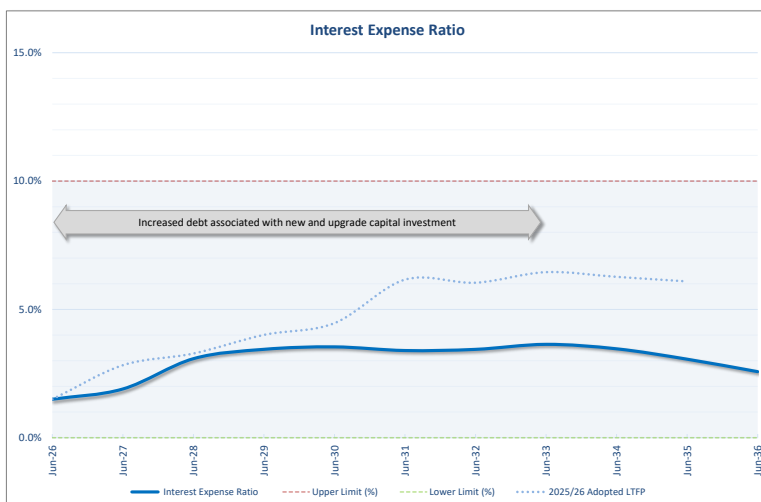
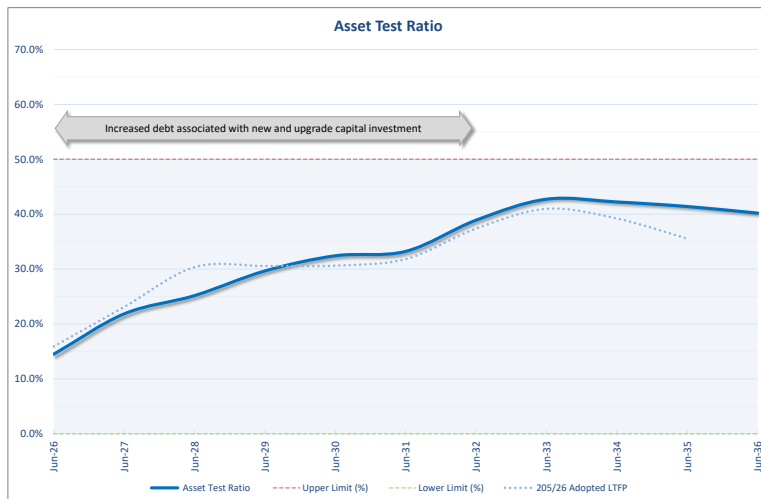
The increasing ratio illustrated below reflects the cumulative impact of utilising debt to deliver on Council's commitment to invest in the City, in addition to debt required to fund significant renewals (that is, the Torrens Weir, Adelaide Bridge and Rundle UPark). This has limited the ability to deliver new and upgraded assets from 2031/32 and still remain within the target ratio. The sale and development of property assets will impact prudential limits, and hence the Asset Test Ratio, in periods where transactions occur.

Note however, an improvement in current borrowing levels, creating a financial cushion in mid to long-term, addressing one of the concerns in the ESCOSA review.

Similarly, the steady increase in borrowings sees the Interest Expense Ratio for the life of the plan increasing, albeit sitting comfortably within the target range, and an improvement compared to the previous LTFP, beginning to reduce from 2032/33.



The Leverage Test Ratio indicates the time it would take to repay borrowings from general rates revenue. The plan supports Council’s ability to repay the debt if called upon from less than 1½ year’s rates revenue in any year of the plan, and tracks in line with the other two prudential borrowing indicators.



Cashflow from Operations Ratio

Definition: Operating Income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets. It demonstrates whether we are generating sufficient cash flow to fund our ongoing operations and asset renewals.

What is being measured: This ratio measures Cash Flow from Operations as a percentage of forecast expenditure in the asset management plans, in addition to expenditure on delivering services.

This indicator shows whether Council is generating adequate cash from its operations to cover the replacement of assets over time.

A lower ratio indicates that Council is not generating enough cash from operations to cover asset replacement (less than 100%). As a result, Council will need to fund the replacement of assets from unsustainable sources of income resulting in increased levels of borrowings over time.

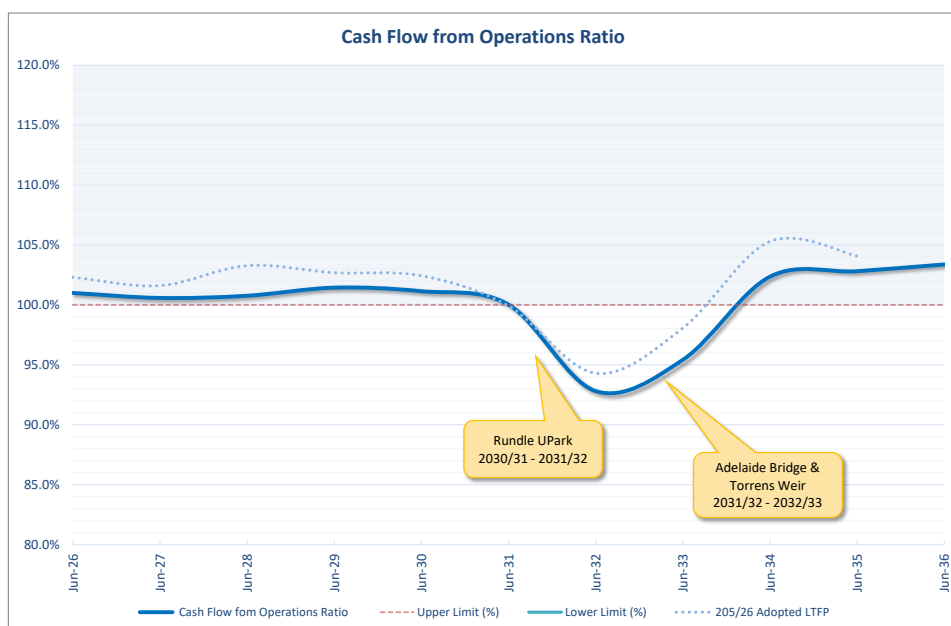
Target: A result greater than 100% suggests Council's operations will generate enough cashflow to support the funding of asset replacement over time.

Explanation of LTFP Projected Results: Most years of the LTFP project a positive result. Years five to seven of the plan reflect the significant renewals required in these years.

This ratio highlights the risk in Council's ability to fully fund the larger renewals that are identified in the LTFP. This is not to suggest deficiency in renewal, but rather highlights the opportunity in advance to seek alternative funding sources such as State or Federal grants to assist with the funding of significant asset renewal projects which benefit the wider State and Adelaide metropolitan area.

The underlying structural cashflow (adjusting for expenditure on significant renewals) delivers an average projection between 100% and 105%, suggesting Council's cashflow is sustainable.

Notably, the latest investigations on the Weir and Bridge suggest a lower level of expenditure and at a later date. Notwithstanding the removal of grant funding associated with funding these assets, the impact of reduced outlay sees a similar ratio minimum maintained, becoming more positive at a later date.



FINANCIAL STATEMENTS

Explanation of the Financial Statements

The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity and are used by a wide range of stakeholders in making economic decisions. To meet this objective, financial statements provide information about an entity's:

- Assets
- Liabilities
- Equity
- Income and expenses, including gains and losses
- Cash flows.

Statement of Comprehensive Income

The Statement of Comprehensive Income provides information about the financial performance of Council. It provides a summary of all the sources of operating revenue and expenditure; the difference is known as the Operating Surplus / (Deficit).

The Net Surplus / (Deficit) represents the operating position with the inclusion of asset disposal and fair value adjustments, being the gain or loss on the sale of replaced assets, assets surplus to requirement, and fair value adjustments for investment property. Any amounts received for new and upgraded assets are also included in the Net Surplus.

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss and include items such as changes in the valuation of infrastructure, property, plant & equipment, and any actuarial gains on the defined benefit plan.

Statement of Financial Position

The Statement of Financial Position presents the financial position of Council at a given date. It comprises three main components: assets, liabilities and equity.

The difference between the assets and liabilities is known as the net assets or equity of Council.

Current Assets and Liabilities are short-term and due within one year. Non-Current Assets and Liabilities represent longer term amounts that are due beyond 12 months.

Statement of Changes in Equity

The Statement of Changes in Equity reflects the movement in equity reserves during the period, being the financial performance of the year plus any other comprehensive income gains.

Statement of Cash Flows

The Statement of Cash Flows represents the amount of cash and cash equivalents entering and leaving the Council. It measures how well Council manages its cash position, meaning how well it generates cash to pay its debt obligations and fund its operating expenses and capital investments.

The main components of the cash flow statement are:

- Cash from operating activities, being the sources and uses of cash to fund Council operations and deliver services
- Cash from investing activities, being the capital investment on the renewal / replacement of existing assets and new / upgraded assets, as well as any sale proceeds and amounts received for the new / upgraded assets
- Cash from financing activities, which includes the proceeds and repayment of borrowings.

Uniform Presentation of Finances

The primary objective of the Uniform Presentation of Finances is to ensure that all councils provide a consistent set of core financial information in their financial statements, enabling meaningful comparisons of each council's position.

The statement highlights:

- The Operating Surplus / (Deficit) measure which is considered a critical indicator of a Council's financial performance

- The Net Outlays on Existing Assets represents the capital investment on the renewal and replacement of existing assets adjusted for all depreciation, amortisation and impairment from the operating surplus / (deficit), given its non-cash nature. Depreciation is defined as the cost of an asset spread over the useful life of the asset, and is an indication of what Council should be spending on renewing or replacing assets annually. If depreciation is higher than capital investment, it suggests that our assets are not being replaced at the same level that they are being utilised, and could indicate that a higher investment may be required in future years.

Note that significant renewals are allowed for in the annual depreciation however the expenditure made in the periods required will see a significant mismatch between depreciation and annual expenditure in that period.

Net Outlays on Existing Assets also includes proceeds from the sale of replaced assets (e.g. plant and fleet).

The Net Outlays on New and Upgraded Assets represents the capital investment on new and upgraded assets (including investment property) and amounts received specifically for new and upgraded assets (e.g. Grant funding).

It also includes proceeds from the sale of surplus assets. This includes investment property and non-current assets held for sale.

The Net Lending / (Borrowing) for Financial Year result is a measure that takes account of both operating and capital activities for the financial year.

A Net Lending position indicates that Council has repaid debt or increased reserves from activities.

A Net (Borrowing) position indicates that Council has required additional debt to fund its activities.

A zero result in any one year means that Council has covered all its expenditure (both operating and capital) from the current year's income.

Statement of Comprehensive Income										
\$'000s	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
Income										
Rates Revenues	165,626	176,443	184,080	192,043	200,321	209,280	217,538	226,123	235,048	244,327
Statutory Charges	21,049	21,638	22,179	22,734	23,302	23,885	24,482	25,094	25,721	26,364
User Charges	77,285	76,021	78,110	80,258	82,467	84,737	87,072	89,473	91,941	94,479
Grants, Subsidies and Contributions	4,717	4,993	4,818	4,273	4,379	4,489	4,601	4,716	4,834	4,955
Investment Income	165	169	174	178	182	187	192	197	201	206
Reimbursements	238	245	251	257	264	270	277	284	291	298
Other Income	701	721	739	758	776	796	816	836	857	879
Total Income	269,781	280,231	290,352	300,500	311,691	323,644	334,977	346,722	358,894	371,509
Expenses										
Employee Costs	97,796	96,046	99,019	101,495	104,032	106,633	109,299	112,031	114,832	117,703
Materials, Contracts & Other Expenses	98,156	95,181	99,815	104,605	109,617	114,796	120,212	125,720	131,660	137,706
Depreciation, Amortisation & Impairment	66,075	70,402	73,283	76,472	79,114	81,023	82,971	84,968	87,027	89,163
Interest Cost on borrowings	317	3,070	6,096	6,539	6,551	6,941	7,628	7,554	6,940	6,073
Finance costs - ROU Assets	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462	2,462
Total Expenses	264,805	267,161	280,675	291,573	301,776	311,855	322,571	332,736	342,921	353,108
Operating Surplus / (Deficit)	4,976	13,070	9,677	8,928	9,915	11,789	12,406	13,986	15,973	18,401
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	-	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	10,783	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	15,759	13,070	9,677	8,928	9,915	11,789	12,406	13,986	15,973	18,401
Changes in Revaluation Surplus - I, PP&E	74,972	68,105	71,409	62,105	64,295	66,372	69,143	71,810	74,061	76,380
Total Other Comprehensive Income	74,972	68,105	71,409	62,105	64,295	66,372	69,143	71,810	74,061	76,380
Total Comprehensive Income	90,731	81,175	81,086	71,033	74,210	78,161	81,549	85,796	90,033	94,781

Statement of Financial Position										
\$'000s	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
ASSETS										
Current Assets										
Cash and Cash Equivalents	800	800	800	800	800	800	800	800	800	800
Trade & Other Receivables	36,483	37,896	39,264	40,636	42,149	43,765	45,298	46,886	48,532	50,238
Inventories	750	600	600	600	600	600	600	600	600	600
Total Current Assets	38,033	39,296	40,664	42,036	43,549	45,165	46,698	48,286	49,932	51,638
Non-Current Assets										
Trade & Other Receivables	755	755	755	755	755	755	755	755	755	755
Equity Accounted Investments in Council Businesses	5,705	6,025	6,345	6,665	6,985	7,305	7,625	7,945	8,265	8,585
Investment Property	4,870	5,006	5,131	5,259	5,391	5,526	5,664	5,805	5,951	6,099
Infrastructure, Property, Plant & Equipment	2,270,169	2,380,293	2,484,215	2,571,809	2,654,861	2,765,713	2,872,382	2,962,433	3,055,186	3,150,707
Right-of-Use Assets	44,451	41,923	39,086	36,080	32,900	29,538	25,988	22,242	18,292	14,131
Total Non-Current Assets	2,325,950	2,434,002	2,535,532	2,620,569	2,700,892	2,808,838	2,912,414	2,999,180	3,088,449	3,180,277
TOTAL ASSETS	2,363,983	2,473,298	2,576,196	2,662,604	2,744,441	2,854,003	2,959,112	3,047,466	3,138,381	3,231,915
LIABILITIES										
Current Liabilities										
Trade & Other Payables	22,384	24,312	26,205	28,716	32,013	35,243	38,297	41,309	44,276	47,195
Provisions	14,363	14,945	15,486	15,873	16,270	16,677	17,094	17,521	17,959	18,408
Lease Liabilities	3,314	3,314	3,314	3,314	3,314	3,314	3,314	3,314	3,314	3,314
Total Current Liabilities	40,061	42,571	45,005	47,904	51,597	55,234	58,704	62,144	65,549	68,918
Non-Current Liabilities										
Trade & Other Payables	15,398	15,064	14,730	14,396	14,062	13,728	13,394	13,060	12,726	12,392
Borrowings	81,344	110,542	133,510	149,577	157,099	188,451	212,126	214,829	215,888	214,853
Provisions	2,183	2,264	2,321	2,379	2,438	2,499	2,561	2,625	2,691	2,758
Lease Liabilities	47,252	43,938	40,624	37,310	33,996	30,682	27,368	24,054	20,740	17,426
Total Non-Current Liabilities	146,177	171,808	191,184	203,662	207,595	235,360	255,450	254,568	252,045	247,429
TOTAL LIABILITIES	186,238	214,378	236,190	251,565	259,192	290,593	314,154	316,712	317,594	316,347
Net Assets	2,177,745	2,258,920	2,340,006	2,411,039	2,485,249	2,563,409	2,644,958	2,730,754	2,820,787	2,915,568
EQUITY										
Accumulated Surplus	838,615	852,185	861,862	870,790	880,705	892,494	904,900	918,886	934,858	953,259
Asset Revaluation Reserves	1,307,609	1,375,714	1,447,122	1,509,228	1,573,523	1,639,895	1,709,037	1,780,847	1,854,908	1,931,287
Future Reserve Fund	31,521	31,021	31,021	31,021	31,021	31,021	31,021	31,021	31,021	31,021
Total Council Equity	2,177,745	2,258,920	2,340,006	2,411,039	2,485,249	2,563,409	2,644,958	2,730,754	2,820,787	2,915,568

Statement of Changes in Equity										
\$'000s	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
Balance at the end of previous reporting period	2,087,014	2,177,745	2,258,920	2,340,006	2,411,039	2,485,249	2,563,409	2,644,958	2,730,754	2,820,787
a. Net Surplus / (Deficit) for Year	15,759	13,070	9,677	8,928	9,915	11,789	12,406	13,986	15,973	18,401
b. Other Comprehensive Income	74,972	68,105	71,409	62,105	64,295	66,372	69,143	71,810	74,061	76,380
Total Comprehensive Income	90,731	81,175	81,086	71,033	74,210	78,161	81,549	85,796	90,033	94,781
Balance at the end of period	2,177,745	2,258,920	2,340,006	2,411,039	2,485,249	2,563,409	2,644,958	2,730,754	2,820,787	2,915,568

Statement of Cash flows										
\$'000s	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
Cash Flows from Operating Activities										
<u>Receipts</u>										
Rates - general & other	156,564	167,621	174,876	182,441	190,304	198,816	206,661	214,816	223,295	232,111
Fees & other charges	21,555	20,556	21,070	21,597	22,137	22,690	23,258	23,839	24,435	25,046
User charges	77,946	72,220	74,205	76,245	78,343	80,500	82,718	84,999	87,344	89,756
Grants utilised for operating purposes	4,232	4,993	4,818	4,273	4,379	4,489	4,601	4,716	4,834	4,955
Investment receipts	165	169	174	178	182	187	192	197	201	206
Reimbursements	238	245	251	257	264	270	277	284	291	298
Other revenues	701	721	739	758	776	796	816	836	857	879
<u>Payments</u>										
Payments to Employees	(96,172)	(90,383)	(93,421)	(96,050)	(98,576)	(101,165)	(103,820)	(106,540)	(109,328)	(112,187)
Payments for Materials, Contracts & Other Expenses	(92,603)	(90,122)	(96,551)	(100,601)	(104,781)	(109,294)	(114,328)	(119,236)	(124,376)	(129,510)
Finance Payments	(2,779)	(2,549)	(3,200)	(3,699)	(4,001)	(4,478)	(4,999)	(4,957)	(4,554)	(3,989)
Net Cash provided by (or used in) Operating Activities	69,847	83,472	82,961	85,399	89,029	92,812	95,376	98,955	103,000	107,564
Cash Flows from Investing Activities										
<u>Receipts</u>										
Amounts Received Specifically for New/Upgraded Assets	10,783	-	-	-	-	-	-	-	-	-
Grants Utilised for Capital Purposes	-	-	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	-	-	-	-	-	-	-	-	-	-
Sale of Replaced Assets	500	500	500	500	500	500	500	500	500	500
<u>Payments</u>										
Expenditure on Renewal/Replacement of Assets	(68,825)	(82,044)	(79,527)	(82,655)	(89,457)	(117,053)	(111,191)	(91,856)	(94,152)	(96,506)
Expenditure on New/Upgraded Assets	(42,277)	(26,285)	(22,064)	(15,003)	(4,012)	(3,947)	(4,696)	(6,638)	(6,742)	(6,859)
Capital Contributed to Equity Accounted Council Businesses	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)
Net Cash provided by (or used in) Investing Activities	(100,139)	(108,149)	(101,411)	(97,478)	(93,289)	(120,820)	(115,708)	(98,313)	(100,714)	(103,185)
Cash Flows from Financing Activities										
<u>Receipts</u>										
Proceeds from Borrowings	35,516	29,198	22,968	16,067	7,522	31,352	23,676	2,703	1,059	-
<u>Payments</u>										
Repayment from Borrowings	-	-	-	-	-	-	-	-	-	(1,035)
Repayment of Lease Liabilities	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)	(3,344)	(3,344)	(3,344)	(3,344)
Net Cash provided by (or used in) Financing Activities	30,292	24,677	18,450	12,079	4,260	28,007	20,331	(641)	(2,286)	(4,379)
Net Increase (Decrease) in Cash Held	-	-	-	-	-	-	-	-	-	-
plus: Cash & Cash Equivalents at beginning of period	800	800	800	800	800	800	800	800	800	800
Cash & Cash Equivalents at end of period	800	800	800	800	800	800	800	800	800	800

Uniform Presentation of Finances										
\$'000s	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
Income										
Rates Revenues	165,626	176,443	184,080	192,043	200,321	209,280	217,538	226,123	235,048	244,327
Statutory Charges	21,049	21,638	22,179	22,734	23,302	23,885	24,482	25,094	25,721	26,364
User Charges	77,285	76,021	78,110	80,258	82,467	84,737	87,072	89,473	91,941	94,479
Grants, Subsidies and Contributions - Capital	-	-	-	-	-	-	-	-	-	-
Grants, Subsidies and Contributions - Operating	4,717	4,993	4,818	4,273	4,379	4,489	4,601	4,716	4,834	4,955
Investment Income	165	169	174	178	182	187	192	197	201	206
Reimbursements	238	245	251	257	264	270	277	284	291	298
Other Income	701	721	739	758	776	796	816	836	857	879
Total Income	269,781	280,231	290,352	300,500	311,691	323,644	334,977	346,722	358,894	371,509
Expenses										
Employee Costs	(97,796)	(96,046)	(99,019)	(101,495)	(104,032)	(106,633)	(109,299)	(112,031)	(114,832)	(117,703)
Materials, Contracts & Other Expenses	(98,156)	(95,181)	(99,815)	(104,605)	(109,617)	(114,796)	(120,212)	(125,720)	(131,660)	(137,706)
Depreciation, Amortisation & Impairment	(66,075)	(70,402)	(73,283)	(76,472)	(79,114)	(81,023)	(82,971)	(84,968)	(87,027)	(89,163)
Finance Costs	(2,779)	(5,532)	(8,558)	(9,001)	(9,013)	(9,403)	(10,090)	(10,016)	(9,402)	(8,535)
Total Expenses	(264,805)	(267,161)	(280,675)	(291,573)	(301,776)	(311,855)	(322,571)	(332,736)	(342,921)	(353,108)
Operating Surplus / (Deficit)	4,976	13,070	9,677	8,928	9,915	11,789	12,406	13,986	15,973	18,401
Net timing adjustment for General Purpose Grant Funding	-	-	-	-	-	-	-	-	-	-
Less Grants, Subsidies and Contributions - Capital	-	-	-	-	-	-	-	-	-	-
Net Other Abnormal Unmatched Income or Expenditure	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus / (Deficit) before Capital Amounts	4,976	13,070	9,677	8,928	9,915	11,789	12,406	13,986	15,973	18,401
Net Outlays on Existing Assets										
Capital Expenditure on Renewal & Replacement of Existing Assets	(68,825)	(82,044)	(79,527)	(82,655)	(89,457)	(117,053)	(111,191)	(91,856)	(94,152)	(96,506)
Finance Lease Payments for Right of Use Assets (Principal)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)	(3,344)	(3,344)	(3,344)	(3,344)
<i>add back</i> Depreciation, Amortisation and Impairment	66,075	70,402	73,283	76,472	79,114	81,023	82,971	84,968	87,027	89,163
Grants, Subsidies and Contributions - Capital Renewal	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Replaced Assets	500	500	500	500	500	500	500	500	500	500
Net Outlays on Existing Assets	(7,474)	(15,662)	(10,262)	(9,672)	(13,104)	(38,874)	(31,065)	(9,731)	(9,969)	(10,187)
Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	(42,597)	(26,605)	(22,384)	(15,323)	(4,332)	(4,267)	(5,016)	(6,958)	(7,062)	(7,179)
<i>add back</i> Amounts received specifically for New and Upgraded Assets	10,783	-	-	-	-	-	-	-	-	-
<i>add back</i> Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	(31,814)	(26,605)	(22,384)	(15,323)	(4,332)	(4,267)	(5,016)	(6,958)	(7,062)	(7,179)
Net Lending / (Borrowing) for Financial Year	(34,312)	(29,198)	(22,968)	(16,067)	(7,522)	(31,352)	(23,676)	(2,703)	(1,059)	1,035

KEY FINANCIAL INDICATOR FORECAST

Financial Indicator	Explanation	Target	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	5 Year Average	10 Year Average
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	1.8%	4.7%	3.3%	3.0%	3.2%	3.6%	3.7%	4.0%	4.5%	5.0%	3.2%	3.7%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	36%	46%	52%	56%	57%	65%	71%	69%	68%	66%	49%	59%
Asset Renewal Funding Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	94.6%	95.5%	96.5%	97.5%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	97%	98%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	22%	25%	30%	32%	33%	39%	43%	42%	41%	40%	28%	35%
Interest Expense Ratio	Annual interest expense relative to General Rates Revenue (less Landscape Levy)	Maximum 10%	1.9%	3.1%	3.4%	3.5%	3.4%	3.4%	3.6%	3.5%	3.1%	2.6%	3.1%	3.2%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.5	0.7	0.8	0.8	0.8	0.9	1.0	1.0	1.0	0.9	0.7	0.8
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	101%	101%	101%	101%	100%	93%	95%	102%	103%	103%	101%	100%
Borrowings	Borrowings as a percentage of the Prudential Borrowing Limit	Prudential Limit \$m	152.9	219.4	224.9	230.5	236.3	242.2	248.2	254.5	260.8	267.3	212.8	233.7
		Borrowings \$m	81.3	110.5	133.5	149.6	157.1	188.5	212.1	214.8	215.9	214.9	126.4	167.8
		%	53%	50%	59%	65%	66%	78%	85%	84%	83%	80%	59%	71%
Borrowings (gross of the Future Fund)	Borrowings (Gross of the Future Fund) as a percentage of the Prudential Borrowing Limit	%	74%	65%	73%	78%	80%	91%	98%	97%	95%	92%	74%	84%

10 YEAR CAPITAL PROGRAM

Table 3: 10-Year Asset Renewal Program

Renewal Forecasts (\$'000s)	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
Buildings	13,541	10,870	11,314	11,717	12,133	12,625	12,941	13,265	13,596	13,936	125,938
Lighting & Electrical	5,363	5,380	5,600	5,799	6,005	6,249	6,405	6,565	6,729	6,898	60,993
Park Lands & Open Space	1,578	2,925	3,044	3,153	3,264	3,397	3,482	3,569	3,658	3,750	31,820
Transport	23,659	29,696	30,907	32,008	33,145	34,491	35,353	36,237	37,143	38,071	330,710
Urban Elements	4,435	5,326	5,543	5,740	5,944	6,185	6,340	6,499	6,661	6,828	59,500
Water Infrastructure	6,270	9,601	9,993	10,349	10,716	11,152	11,430	11,716	12,009	12,309	105,547
Total Infrastructure Renewals	54,846	63,798	66,400	68,766	71,208	74,099	75,952	77,851	79,797	81,792	714,508
Plant & Fleet	3,749	3,904	3,024	1,908	1,976	2,056	2,108	2,161	2,215	2,270	25,371
IT Equipment	1,237	1,785	1,858	1,924	1,993	2,074	2,125	2,179	2,233	2,289	19,697
Plant, Fleet & Equipment Replacement	4,986	5,689	4,882	3,833	3,969	4,130	4,233	4,339	4,448	4,559	45,068
Delivery Resources	7,610	7,921	8,244	8,538	8,841	9,200	9,430	9,666	9,908	10,155	89,515
Total Renewal & Replacement of Assets	67,442	77,409	79,527	81,136	84,018	87,430	89,615	91,856	94,152	96,506	849,091

Table 4: Significant Renewal Costs and Timing Unindexed

Significant Renewals (unindexed) \$'000s	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
Adelaide Bridge	-	-	-	900	900	8,000	8,000	-	-	-	17,800
Torrens Weir Structure	1,751	-	-	500	1,000	10,600	10,600	-	-	-	24,451
Rundle UPark	-	4,500	-	-	3,000	7,500	-	-	-	-	15,000
Total Significant Renewals	1,751	4,500	-	1,400	4,900	26,100	18,600	-	-	-	57,251

Table 5: Significant Renewal Costs and Timing Indexed

Significant Renewals (indexed) \$'000s	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
Adelaide Bridge	-	-	-	977	999	9,080	9,280	-	-	-	20,336
Torrens Weir Structure	1,751	-	-	543	1,110	12,031	12,296	-	-	-	27,731
Rundle UPark	-	4,635	-	-	3,330	8,513	-	-	-	-	16,478
Total Significant Renewals	1,751	4,635	-	1,519	5,439	29,624	21,576	-	-	-	64,544

Table 6: New and Significant Upgrade Projects

Projects \$'000s	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
Community Sports Building Redevelopment - Golden Wattle Park / Mirnu Wirra (Park 21 West)	4,422	-	-	-	-	-	-	-	-	-	4,422
Community Sports Building Redevelopment - Mary Lee Park / Tulya Wardli (Park 27B)	4,041	-	-	-	-	-	-	-	-	-	4,041
Community Sports Building Redevelopment - Concept Design	119	-	-	-	-	-	-	-	-	-	119
Upgrade to Park Lands Buildings (1.5% Rates Revenue)	-	1,901	1,476	1,692	848	820	1,457	3,146	3,272	3,403	18,015
Public Art Action Plan Deliverables	178	458	349	255	95	66	81	80	45	16	1,623
Brown Hill Keswick Creek (Financial Contribution)	320	320	320	320	320	320	320	320	320	320	3,200
Melbourne Street Public Art Commission	214	-	-	-	-	-	-	-	-	-	214
Main Street Revitalisation - Gouger Street	8,912	6,297	-	-	-	-	-	-	-	-	15,209
Main Street Revitalisation - Hindley Street	607	1,000	6,000	6,053	-	-	-	-	-	-	13,660
Main Street Revitalisation - Hutt Street	1,155	5,485	5,485	-	-	-	-	-	-	-	12,125
Main Street Revitalisation - Melbourne Street	1,545	160	2,500	2,500	-	-	-	-	-	-	6,705
Main Street Revitalisation - O'Connell Street	3,963	6,669	3,334	-	-	-	-	-	-	-	13,966
City Public Realm Greening Program	2,377	45	-	-	-	-	-	-	-	-	2,422
Minor Works Building - Security Upgrades	119	300	-	-	-	-	-	-	-	-	419
Flinders Street Housing - Concept Planning	297	500	-	-	-	-	-	-	-	-	797
Other ^	14,328	-	-	-	-	-	-	-	-	-	14,328
Project Delivery Costs	-	3,470	2,920	1,999	565	557	654	908	921	936	12,929
Assumed forward Commitment	-	-	-	2,504	2,504	2,504	2,504	2,504	2,504	2,504	17,528
Total New and Upgraded Expenditure	42,597	26,605	22,384	15,323	4,332	4,267	5,016	6,958	7,062	7,179	141,722
Confirmed External Funding	10,783	-	-	-	-	-	-	-	-	-	10,783
Net Capital Contribution	31,814	26,605	22,384	15,323	4,332	4,267	5,016	6,958	7,062	7,179	130,939

^ one-off funding for New and Upgraded Assets in 2026/27

Table 7: Renewal and Upgrade of Buildings within the Park Lands

1.5% Rates Revenue to Renew and Upgrade Buildings within the Park Lands (\$'000s)	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
Renewal Allocation	1,797	482	1,067	963	1,924	2,074	1,568	-	-	-	9,875
New and Upgrade Allocation	-	1,901	1,476	1,692	848	820	1,457	3,146	3,272	3,403	18,015
Total Allocation	1,797	2,383	2,543	2,655	2,772	2,894	3,025	3,146	3,272	3,403	27,890

KEY ASSUMPTIONS (INDICES)

Consumer Price Index (SA)

Rate %	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
CPI (SA)	3.5%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
LGPI - Capital (SA)	3.5%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Interest Rates

Rate %	2026-27 Budget	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan	2032-33 Plan	2033-34 Plan	2034-35 Plan	2035-36 Plan
Interest Rate	5.85%	5.60%	5.35%	5.10%	4.85%	4.75%	4.75%	4.75%	4.75%	4.75%

GLOSSARY

Asset

Assets are future economic benefits controlled by the Council as a result of past transactions or other past events.

Asset Renewal Funding Ratio

(also known as the Asset Sustainability Ratio)

Expenditure on asset renewals as a percentage of forecast required expenditure in the infrastructure asset management plans.

Asset Test Ratio

Borrowings as a percentage of total saleable property assets.

Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a measure of changes, over time, in retail prices of a constant basket of goods and services representative of consumption expenditure by resident households in Australian metropolitan areas. The simplest way of thinking about the CPI is to imagine a basket of goods and services comprising items typically acquired by Australian households. As prices vary, the total price of this basket will also vary. The CPI is simply a measure of the changes in the price of this basket as the prices of items in it change.

Equity

Equity is the residual interest in the assets of the Council after deduction of its liabilities.

Leverage Test Ratio

Total borrowings relative to rates revenue (less landscape levy)

Liability

Liabilities are the future sacrifices of economic benefits that the Council is presently obliged to make to other entities or organisations as a result of past transactions or other past events

Interest Expense Ratio

Proportion of Council's general rate income that is being used to service debt (interest).

Liquidity

Measure of the Council's ability to cover its immediate and short-term debts and obligations.

Net Financial Liabilities

Financial liabilities as a percentage of operating surplus.

Operating Surplus Ratio

Operating surplus as a percentage of operating revenue.

Internal Audit Report - Strategic Risk Assessment and Alignment

Strategic Alignment - Our Corporation

Public

Friday, 14 August 2026

Audit and Risk Committee

Program Contact:

Rebecca Hayes, Associate

Director Governance & Strategy

Approving Officer:

Anthony Spartalis, Chief

Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with the Strategic Risk Assessment and Alignment Internal Audit Report. The Internal Audit was performed by BDO, in accordance with the Internal Audit Plan 2025 – 2026.

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

The internal audit identified four recommendations, of which two are rated as high priority recommendations and two are rated as medium priority recommendations.

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 Risk Assessment and Alignment 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 14 August 2026.
2. Notes the Bowtie Risk Assessment tool as contained in Attachment B to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 14 August 2026.
3. Endorses the responses of the Administration to the Strategic Risk Assessment and Alignment 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 14 August 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	The BDO internal audit report has been presented to the Strategic Risk and Internal Audit Group for their consideration.
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 Risk Assessment & Alignment Internal Audit Report (Attachment A) was performed by BDO, in accordance with the Plan.
3. The internal audit reviewed Council's strategic risk register and assessed the adequacy of current risk definitions, causes and controls through a bow tie risk analysis.
4. The audit best aligns with all Strategic Risks:
 - 4.1. Financial Sustainability: If appropriate financial resources and systems are not in place, impacting our ability to deliver services, maintain our assets and meet strategic objective.
 - 4.2. Cyber Security: Our cyber security vulnerability exposes us to data breaches and system compromises, risking sensitive information and operational disruption.
 - 4.3. Assets and Infrastructure: Our assets and infrastructure do not meet community needs, and planning, systems and programs are not fit for purpose.
 - 4.4. Business Resilience: Our preparation or response to disruptions of essential services and operations due to unforeseen events is inadequate.
 - 4.5. Climate Resilience: Harm from physical and transitional climate risks to community health and safety, service delivery, Council's built and natural assets, financial sustainability and reputation.
 - 4.6. Statutory and Regulatory: Our failure to deliver statutory and regulatory requirements and manage public safety poses legal and reputational risks to the organisation.
 - 4.7. Stakeholder Management: Our management of relationships and partnerships with external stakeholders is ineffective.
 - 4.8. People and Talent: Our ability to attract and retain sufficient capacity and skills to effectively operate while maintaining work health and safety compliance is inadequate.
 - 4.9. Governance: Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage.
 - 4.10. Digital Capability: Our enterprise data, technology systems, and governance are not contemporary or aligned to organisational needs.
 - 4.11. Strategy Definition and Implementation: Our strategic planning processes do not allow up to effectively adapt to changing external environments and/or are insufficient to enable successful implementation of our objectives.

Report

5. The objective of this project was to evaluate and assess the strategic risks impacting the City of Adelaide's (CoA) operations and long-term objectives to ensure alignment with organisational goals.
6. The project adopted the Bowtie Risk Assessment tool (**Attachment B**) to map the relationship between cause, controls, and consequences for key risk events, documenting both prevention and mitigation controls. Previously, the Strategic Risk Register listed prevention and mitigation controls together rather than separately.
7. The findings of the internal audit include the following recommendations:

Ref	Recommendation	Priority	Action Owner	Delivery Date
1.	Undertake a structured review of existing risk, control and treatment information within Promapp to either:	High	Associate Director Governance & Strategy	31 Mar 2027

	- Replace current entries with outcomes from the bow tie assessment; or - Retain relevant existing controls and treatments while integrating newly identified items Ensure final records reflect the updated risk profile, control set, and agreed treatments			
2.	Establish a formal control effectiveness assessment process, with control owners assigning ratings based on defined criteria to assess design and operating effectiveness.	High	Associate Director Governance & Strategy	31 Mar 2027
3.	Develop and implement periodic control self-assessment (CSA) schedules, integrated within Promapp, to support ongoing monitoring and accountability.	Medium	Associate Director Governance & Strategy	31 Mar 2027
4.	Refresh the FY28-FY30 Internal Audit Program, and include the following: - High level scopes for approval, with clear reference to the strategic risks linked to each internal audit, as well as the possible controls that could be assessed (note that there may also be other areas/processes beyond this) Integrate the following measures into the internal audit process: - Within the internal audit scoping process, add further details around what existing control information, or treatments will be in scope for the internal audit (this could be an appendix). - As part of the internal audit reporting process, include further details about the outcomes of the internal audit with respect to existing risk management information (e.g. have the controls been properly captured and articulated – should risk ratings/control effectiveness ratings be amended etc).	Medium	Associate Director Governance & Strategy	30 Jun 2027

8. 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 Risk Assessment and Alignment Internal Audit Report, **Attachment A**).

Next Steps

9. Update Strategic Risk Register (revised format endorsed by ARC) based on the findings of this audit.
10. Actions arising from the Strategic Risk Register, including new treatments will be recorded in Process Manager (Promapp). The Corporate Governance and Risk team will oversee the monitoring and management of these actions and provide quarterly progress reports to ARC.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Strategic Risk Assessment and Alignment Internal Audit

Attachment B – Bowtie Risk Assessment tool

- END OF REPORT -

City of Adelaide

Strategic Risk Assessment and Alignment

Page 83

July 2026

Contents

01	Objective, Scope & Approach	03
02	Risk Bowtie Analysis	05
03	Key Outputs	07
04	Recommendations	13
05	Appendices	15

Objective, Scope & Approach

Background

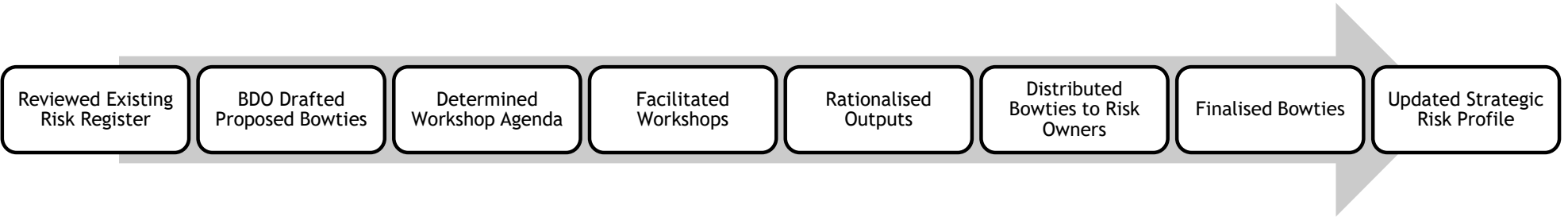
Objective

BDO has recently conducted an internal audit to evaluate and assess the strategic risks impacting the City of Adelaide’s (CoA) operations and long-term objectives to ensure alignment with organisational goals. The project adopted the ‘bow tie’ risk assessment tool to map the relationship between causes, controls, and consequences for key risk events, documenting both prevention and mitigation controls. This was conducted in consultation with the CoA Governance & Strategy team and nominated strategic risk owners.

Scope

Risk Framework & Register Review	Bowtie Risk Analysis & Control Evaluation	Alignment with Governance, Planning & Assurance
Assessed the current strategic risk register and supporting framework to ensure risks are clearly defined, aligned to organisational objectives, and supported by appropriate causes, controls, and risk ratings.	Applied bowtie methodology to key strategic risks to validate cause pathways, evaluate the design of preventative and mitigating controls, and identify control gaps and required treatments.	Evaluated how strategic risks are integrated with governance oversight, corporate planning, and the internal audit program to ensure risk-based decision-making and ongoing monitoring is effective and aligned to current priorities.

Methodology



Risk Bowtie Analysis

An overview of Risk Bowtie Analysis

Bowtie analysis provides a structured view of a risk by linking its causes and consequences to the controls that prevent and mitigate it. This approach delivers the following key benefits:

Control Type Differentiation

Distinguishes between preventative and mitigation controls, clarifying their respective roles in managing risk.

Control Gap Identification

Supports identification of gaps and weaknesses in the control environment across key risk causes and consequences.

Improved Accountability

Enhances risk ownership by clearly linking controls and actions to responsible stakeholders.

Targeted Control Improvement

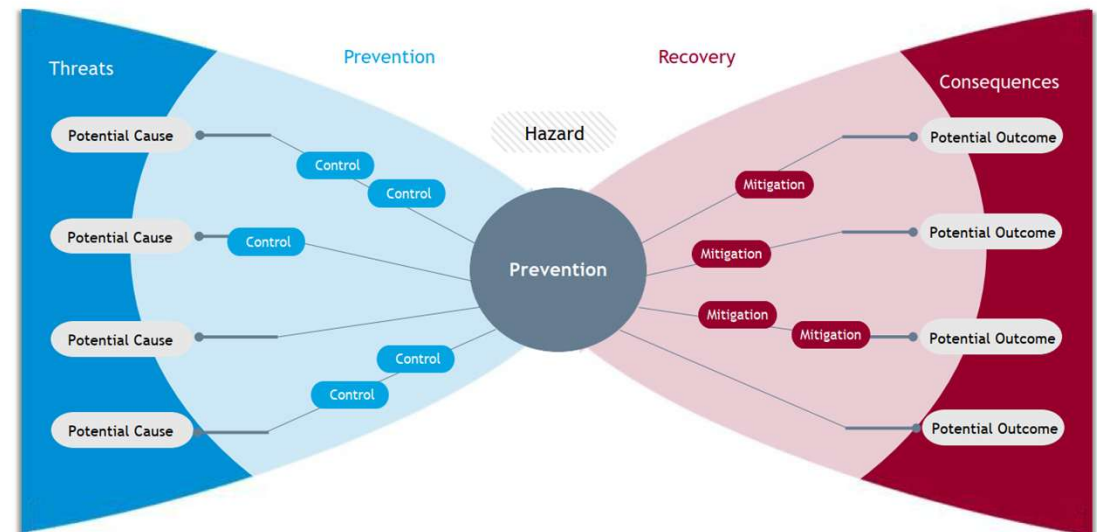
Enables focused prioritisation of control enhancements based on identified risk exposures and gaps.

Consistent Risk Assessment

Promotes a consistent and structured approach to assessing risks across the organisation.

Clear Risk Line of Sight

Provides a clear linkage between causes, controls, and consequences, improving transparency of risk pathways.



Definitions:

Causes (Threats): Events or conditions that could trigger the risk event.

Controls (Preventative): Measures in place to prevent causes from leading to the risk event.

Outcomes (Consequences): The potential impacts if the risk event occurs.

Mitigation Controls (Recovery): Measures that reduce the severity or impact of the consequences after the event.

Key Outputs

Summary of Strategic Risks

#	Current Strategic Risks	Inherent Risk Rating	Residual Risk Rating	# Preventative Controls	# Mitigating Controls	# Treatments
1	Financial Sustainability - If appropriate financial resources and systems are not in place, impacting our ability to deliver services, maintain our assets and meet strategic objective.	Extreme	High	12	4	14
2	Cyber security - Our cyber security vulnerability exposes us to data breaches and system compromises, risking sensitive information and operational disruption.	Extreme	High	15	4	3
3	Assets and infrastructure - Our assets and infrastructure do not meet community needs, and planning, systems and programs are not fit for purpose.	Extreme	High	13	4	4
4	Business resilience - Our preparation or response to disruptions of essential services and operations due to unforeseen events is inadequate.	High	High	13	4	4
5	Climate Resilience - Harm from physical and transitional climate risks to community health and safety, service delivery, Council's built and natural assets, financial sustainability and reputation.	Extreme	High	14	0	4
6	Statutory and regulatory - Our failure to deliver statutory and regulatory requirements and manage public safety poses legal and reputational risks to the organisation.	High	Moderate	7	3	4



Summary of Strategic Risks (ctd)

#	Current Strategic Risks	Inherent Risk Rating	Residual Risk Rating	# Preventative Controls	# Mitigating Controls	# Treatments
 7	Stakeholder management - Our management of relationships and partnerships with external stakeholders is ineffective.	High	Moderate	14	1	2
 8	People and Talent - Our ability to attract and retain sufficient capacity and skills to effectively operate while maintaining work health & safety compliance is inadequate.	High	High	16	4	11
 9	Governance - Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage.	High	Moderate	17	3	10
 10	Digital Capability - Our enterprise data, technology systems, and governance are not contemporary or aligned to organisational needs.	High	Moderate	9	1	5
 11	Strategy Definition & Implementation - Our strategic planning processes do not allow us to effectively adapt to changing external environments and/or are insufficient to enable successful implementation of our objectives.	N/A	Moderate	11	2	4
		Total:		141	30	65

Risk Rating Approach

A plausible worst-case scenario approach was adopted to improve consistency in risk ratings, using the CoA consequence table to provide a clear and evidenced basis for how ratings are determined, as outlined below:

Worst-Case Scenario Focus

Adopted a plausible worst-case scenario to ensure risk ratings reflect credible, high-impact exposures.



Shift to High-Impact Thinking

Moved from expected outcomes to realistic, severe scenarios that better represent potential risk impact.



Scenario-Based Risk Definition

Defined risks using clear, scenario-based articulation to improve clarity and consistency.



Consequence-Driven Ratings

Aligned risk ratings directly to identified consequences to ensure meaningful assessment of impact.



Control-Linked Ratings

Strengthened the connection between risk ratings and the effectiveness of controls in place.



Consistent Risk Assessment

Applied a common approach to improve consistency and comparability across all risks.

#	Risks	Existing Residual Risk Rating (May 2025)	New Residual Risk Rating
1	Financial sustainability	High	High
2	Cyber security	High	High
3	Assets and infrastructure	High	High
4	Business Resilience	High	High
5	Climate Resilience	High	High
6	Statutory and Regulatory	Moderate	Moderate
7	Stakeholder management	High	Moderate
8	People and Talent	High	High
9	Governance	Moderate	Moderate
10	Digital Capability	High	Moderate
11	Strategy Definition & Implementation (New Risk)	N/A (New)	Moderate

Control Identification and Assessment Approach

Processes Undertaken

- 

• Reviewed existing risk documentation to identify controls currently in place and assess their ongoing relevance to the risk profile
- 

• Facilitated workshops with risk owners and governance representatives to validate existing controls and identify any additional controls required
- 

• Applied a structured bowtie approach to link controls directly to risk causes
- 

• Established a clear distinction between preventative controls (to stop the event) and mitigating controls (to reduce impact)
- 

• Conducted a high-level cause coverage assessment to evaluate whether identified controls adequately address key risk drivers
- 

• Identified control gaps and agreed targeted treatments/actions with workshop participants where coverage was considered insufficient

Key Outputs



Clear, Measurable Controls
More granular and measurable control definitions, improving clarity and testability



Consistent Control Language
Standardised control language and structure applied across all risks



Cause-Control Alignment
Clear linkage and traceability between causes, controls, and consequences



Control Type Clarity
Distinct separation of preventative and mitigating controls



Structured Assessment Approach
A consistent and repeatable methodology for control identification and assessment



Identified Gaps & Actions
Control gaps identified, with agreed actions to strengthen coverage

Uplift of Control and Treatment Identification and Alignment

#	Current Strategic Risks	# Existing Controls	# Revised Preventative Controls	# Revised Mitigating Controls	# Existing Treatments	# Revised Treatments
1	Financial Sustainability	19	12	4	7	14
2	Cyber security	8	15	4	2	3
3	Assets and infrastructure	7	13	4	3	4
4	Business resilience	10	13	4	1	4
5	Climate Resilience	7	14	0	2	4
6	Statutory and regulatory	11	7	3	1	4
7	Stakeholder management	11	14	1	1	2
8	People and Talent	21	16	4	3	11
9	Governance	16	17	3	0	10
10	Digital Capability	11	9	1	3	5
11	Strategy Definition & Implementation*	0	11	2	0	4
Total:		121	141	30	23	65

*New Risk - No existing controls

Recommendations

Summary of Recommendations

#	Recommendations	Priority	Action Owner	Delivery Date
1	Undertake a structured review of existing risk, control, and treatment information within Promapp to either: • Replace current entries with outcomes from the bowtie assessment; or • Retain relevant existing controls and treatments while integrating newly identified items Ensure final records reflect the updated risk profile, control set, and agreed treatments	High	Associate Director Governance & Strategy	31 Mar 2027
2	Establish a formal control effectiveness assessment process, with control owners assigning ratings based on defined criteria to assess design and operating effectiveness	High	Associate Director Governance & Strategy	31 Mar 2027
3	Develop and implement periodic control self-assessment (CSA) schedules, integrated within Promapp, to support ongoing monitoring and accountability	Medium	Associate Director Governance & Strategy	31 Mar 2027
4	Refresh the FY28-FY30 Internal Audit Program, and include the following: • High level scopes for approval, with clear reference the strategic risks linked to each internal audit, as well as the possible controls that could be assessed (note that there may also be other areas/processes beyond this) Integrate the following measures into the internal audit process: • Within the internal audit scoping process, add further details around what existing control information, or treatments will be in scope for the internal audit (this could be an appendix). • As part of the internal audit reporting process, include further details about the outcomes of the internal audit with respect to existing risk management information (e.g. have the controls been properly captured and articulated - should risk ratings/control effectiveness ratings be amended, etc)	Medium	Associate Director Governance & Strategy	30 June 2027

Appendix

Workshop Participants

Name	Position	Name	Position
Michael Sedgman	Chief Executive Officer	Nicole Van Berkel	Manager - Financial Planning & Reporting
Anthony Spartalis	Chief Operating Officer	Kirsty Omenzetter	Manager - People Safety & Wellbeing
Illia Houridis	Director - City Shaping	David Bills	Manager - Low Carbon & Circular Economy
Tom McCready	Director - City Infrastructure	Kathryn Goldy	Manager - Corporate Governance & Risk
Jo Podoliak	Director - City Community	David Carroll	Manager - Enterprise Platforms & Cyber Security
Rebecca Hayes	Associate Director - Governance & Strategy	Simon Davis	Manager - Infrastructure Planning
Noni Williams	Associate Director - City Operations	Jason Barnden	Coordinator, Security & Emergency Management
Mike Philippou	Associate Director - Strategic Property & Commercial	Nicholas Morrow	Team Leader - Strategic Asset Management
Mark Goudge	Associate Director - Infrastructure	David Penrose	Lead Web & User Experience
Sarah Gilmour	Associate Director - Park Lands, Policy & Sustainability	Jeff Lawes	Senior Cyber Security Analyst
Mitch Woods	Associate Director - Finance & Procurement		
Sonjoy Ghosh	Associate Director - Information Management		
Martin Smallridge	Associate Director - Customer & Marketing		
Lousie Williams	Associate Director - People		
Steve Zaluski	Associate Director - Regulatory Services		
Annette Pianezzola	Risk & Audit Advisor		
Andrea Bassett	Principal Climate Change Advisor		

Risk Consequence Categories

As part of considering the consequences of risks. We used the 5 categories (as defined by CoA's risk framework) as a prompt to ensure all relevant consequences are captured and appropriate risk mitigation treatments considered.

⊕ Risk Rating Table ACC2019/174186

CITY OF ADELAIDE		CONSEQUENCES				
		Insignificant	Minor	Moderate	Major	Catastrophic
RISK CATEGORY	FINANCIAL	Financial impact (expenditure or revenue) <\$20,000. Financial impact <5% of annual project budget (Budget variation manageable in the short term).	Financial impact (expenditure or revenue) between \$20k-\$250k Financial impact >5% and <10% of annual project budget (Budget variation manageable without impact on bottom line of budget absorbed over current financial year).	Financial impact (expenditure or revenue) between \$250k-\$1m Financial impact of > 10% and <20% of annual project budget (Impact on budget beyond current financial year but manageable within next financial year).	Financial impact (expenditure or revenue) between \$1-5m Financial impact of >20% and <25% of annual project budget (Impact on budget with recovery over proceeding two or three financial years).	Financial impact (expenditure or revenue) >\$5m Financial impact of <25% and <50% of annual project budget (Impact on budget with recovery over proceeding three or more financial years).
	PUBLIC SAFETY STAFF / VOLUNTEER / CONTRACTOR SAFETY	Injuries requiring <u>localised</u> treatment/first aid; or Incidence of non-treatment injuries.	Injury requiring professional medical intervention. Injury involving lost time in the <u>work place</u> .	Routine and follow up medical attention after initial medical treatment. Hospital admission as an inpatient for 1-2 days	Temporary disability. Hospital admission as an inpatient for >3 days	Permanent disability; or Long term hospital admission. Death.
	ENVIRONMENT	Minor adverse <u>event that</u> can be remedied immediately.	Isolate instances of environmental damage requiring effort to fix in the short term and reversible.	Adverse events that cause widespread damage but reversible in the short to medium term.	Significant adverse <u>event</u> causing widespread <u>damage which</u> may be reversed through appropriate remedial action in the medium term.	Major adverse environmental event requiring continuing long term remedial attention.
	REPUTATION / BRAND IMAGE / POLITICAL	No media attention. A <u>number of</u> adverse local complaints. Increase use of staff resources to manage the event	<u>Localised</u> community concern. Media coverage but not adverse	<u>State wide</u> adverse media attention; or Detrimental inter-governmental relationships.	National adverse media attention; or Ongoing disagreement between State Government and the Council.	Prolonged adverse media attention; or Irreparable damage to government relations; or Lord Mayor / <u>Councillors</u> / CEO forced to resign.
	SERVICE DELIVERY	Interruption to a service not requiring any further remedial action and with minimal impact on customers.	Interruption to a service requiring further remedial action and with moderate impact on customers.	Interruption to core business function or essential service with significant customer impact for up to 48 hrs.	Interruption to core business function or essential service for 2-7 days.	Interruption to core business function or essential service for more than 7 days.

Note: risk categories vs consequences highlighted in blue, represents Council's risk appetite

Risk Likelihood & Rating Categories

As part of considering the likelihood of risks. We used the 5 categories (as defined by CoA's risk framework) as a prompt to ensure all relevant likelihood are captured. We also used the CoA Overall Risk Rating Table to determine all risk ratings.

Overall Likelihood Table

LIKELIHOOD		
Rating	Project Risk	Other
Almost Certain	The event is currently occurring or is expected to occur at some stage over the life of the project (over 75% probability)	Expected to occur. (90% probability to occur in the next 5 years.)
Likely	The event is likely to occur during the life of the project (probability between 50%-75%)	Will likely occur. (65%-90% probability to occur in the next 5 years)
Possible	The event may possibly occur in the life of the project (probability between 25%-50%)	May possibly occur. (35% - 65% to occur in the next 5 years)
Unlikely	The event is unlikely to occur in the life of the project (probability between 0%-25%)	Unlikely to occur. (0%- 35% to occur in the next 5 years)
Rare	The event will only occur in exceptional circumstances (Probability close to zero)	Will only occur in exceptional circumstances. (probability close to 0% over the next 5 years)

Overall Risk Rating Table

Determine a Risk Rating		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost Certain	Moderate	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Possible	Low	Moderate	High	High	Extreme
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate

Note: risk categories vs consequences highlighted in blue, represents Council's risk appetite

This presentation has been carefully prepared, but is general commentary only. This presentation is not legal or financial advice and should not be relied upon as such. The information in this presentation is subject to change at any time and therefore we give no assurance or warranty that the information is current when read. The presentation cannot be relied upon to cover any specific situation and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact the BDO member firms in Australia to discuss these matters in the context of your particular circumstances.

BDO Australia Ltd and each BDO member firm in Australia, their partners and/or directors, employees and agents do not give any warranty as to the accuracy, reliability or completeness of information contained in this article nor do they accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it, except in so far as any liability under statute cannot be excluded. BDO Services Pty Ltd ABN 45 134 242 434 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Services Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2024 BDO Services Pty Ltd. All rights reserved.

www.bdo.com.au



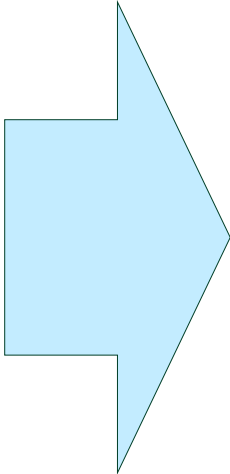
Risk 1: Financial sustainability

Risk Owner: Anthony Spartalis, Chief Operating Officer

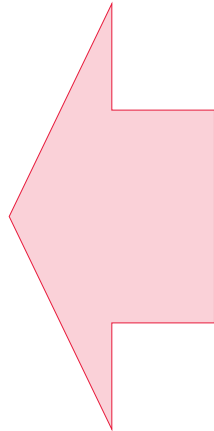
Risk Review Date:

Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Ineffective Financial Planning	
a	Inadequate planning for rates and alternate revenue sources to fund strategic and operational objectives	PC1, PC3, PC10
b	Service levels are not clear or meeting customers expectations, resulting in difficulties in Long term Financial Planning.	PC1, PC11
c	Inability to anticipate significant increase in costs and capital valuations (e.g. asset renewals in capital delivery program, including impacts from increasing supplier costs and inflation, climate change, increasing replacement costs)	PC3, PC4, PC10
d	Endorsed strategies are not effectively costed / budgeted, and as a result not included in LTFP.	PC2, PC11
C2	Poor Revenue & Funding Resilience	
a	Rates revenue constrained by affordability pressures and community expectations	PC1, PC16, PC18
b	Delays or failures in development activity reducing expected growth monies	PC3, PC10
c	Failure to identify sustainable alternative revenue sources, or these are constrained due to legislative or market constraints	PC10, PC15
	Exposure to changes in State funding policy / State and Federal cost shifting	PC3, PC10
	Council appetite towards fees & charges and rate setting	PC1, PC16, PC18
f	Ineffective treasury / debt management (maturity profiles, fixed vs variable, borrowing limits etc.)	PC6, PC10, PC12
C3	Financial Systems, Information & Capability Limitations	
a	Financial systems do not provide timely, accurate or integrated information	PC5, PC19
b	Limited visibility of long term financial impacts of service and asset decisions	PC3, PC10
c	Weak linkage between finance, asset, workforce and service planning systems	PC3, PC4
d	Reliance on spreadsheets or manual processes increasing risk of error	PC5, PC19
e	Limited organisational capability to undertake complex financial modelling	PC5, PC10
C4	Inadequate Cost Management & Financial Discipline	
a	Poor financial decision making due to lack of financial discipline.	PC2, PC13
b	Over-runs in capital program budget through unexpected cost increase, project delays and poor financial discipline (Business cases and budget bids do not consistently demonstrate value for money or whole of life cost implications.)	PC2, PC7, PC8
c	Accountability for cost management is unclear, with limited consequences for budget overruns or failure to deliver agreed savings.	PC5, PC13
d	Poor cost estimation processes and delivery timeframes (e.g. Limited scrutiny of cost drivers (e.g. staffing levels, overtime, contractors, spend)).	PC2, PC7



Risk Event: If appropriate financial resources and systems are not in place, impacting our ability to deliver services, maintain our assets and meet strategic objectives.		
Target Risk Level: High		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Likely	Possible
Impact	Major	Moderate
Rating	Extreme	High
Worst case plausible scenario (current Risk): Council's failure to effectively control costs results in significant budget overruns that must be passed on to ratepayers through increased rates or reduced service levels, attracting intense public and media scrutiny, erosion of community trust and reputational damage.		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Structural budget deficits, cash flow constraints or erosion of reserves due to ongoing misalignment between revenue, expenditure and service commitments; increased borrowing costs, reduced financial flexibility or adverse audit outcomes; inability to fund asset renewal, critical programs or strategic priorities.	MC1, MC2, MC4
CO2: Safety	Indirect impacts	
CO3: Environment	Deferred maintenance or under investment in environmental assets and programs leading to environmental degradation, non compliance or increased remediation costs over time.	MC2
CO4: Reputation / Brand Image	Loss of community trust and confidence due to perceived poor financial stewardship or service reductions; negative media coverage, political scrutiny or adverse audit and regulator findings; reduced credibility with funding bodies, partners and stakeholders.	MC1, MC3, MC4
CO5: Service Delivery	Service reductions, delays or quality impacts due to insufficient funding or constrained resources; reduced capacity to deliver strategic initiatives or respond to emerging community needs.	MC1, MC2, MC3, MC4

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	Annual Business Planning, Budget Development, Implementation and Rate Setting	The ABP and Budget are developed and implemented with A/Ds and Managers, informed by service requirements, trends and financial principles aligned to the LTFP. The process includes application of a Council approved rate setting policy and is presented annually to the Audit & Risk Committee and Council for endorsement.	C1) a, b C2) a, e	Associate Director Finance & Procurement		
PC2	Budget Bid Affordability, Whole of Life Costing and Value for Money Assessment	A mandatory budget bid process requiring affordability assessment for all new or expanded services, supported by whole of life costing and value for money analysis. All capital projects, business cases and budget bids are assessed for capital, operating, maintenance and disposal costs prior to approval to ensure proposals are affordable and deliver value for money.	C1) d C4) a, b, d	Associate Director, Governance & Strategy		

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
MC1	LTFP: Financial cushion (\$23 Mill)	Council maintains a financial buffer within the Long Term Financial Plan to absorb unplanned cost increases or revenue shortfalls, reducing the immediate impact on service delivery, rates and financial sustainability.	CO1, CO4, CO5	Associate Director Finance & Procurement		
MC2	Defer capital spend	Council can defer or re profile non critical capital expenditure in response to financial pressure, enabling short term cash flow relief and reducing the impact of budget overruns.	CO1, CO5, CO3	Associate Director Infrastructure		

PC3	LTFP and Cost Pressure Management	Monitoring and periodic updating of the Long Term Financial Plan (LTFP), with Council endorsement sought as required, informed by a maintained forward cost pressure register (including wages, inflation, climate and compliance) to ensure long term financial implications and assumptions are appropriately managed.	C1) a, c C2) b, d C3) b, c	Associate Director Finance & Procurement		
PC4	Delivery of Asset Renewals & Ongoing Measurement of Asset Renewal Ratio	Deliver Asset Renewals in line with Council approved Asset Management Plans to ensure we are managing our assets in a financially sustainable manner. One of the key ratios Council is required to assess itself against is Asset Renewal Ratio (Target 100%).	C1) c C3) c	Associate Director Infrastructure		
PC5	Future Fund	Develop and manage the governance arrangement for the Future Fund	C2) f	Associate Director Finance & Procurement		
PC6	PMO Processes (CTG, PCG and ARG Meetings)	Effective PMO processes and systems including: Weekly and fortnightly meetings of the Change Triage Group (CTG), Project Control Group (PCG) and Asset Renewal Group (ARG) to recommend, govern and authorise changes to project scopes, schedules and cost, including options review, best delivery approaches, and allocation of expenditure for asset renewals.	C4) b, d	Associate Director, Governance & Strategy		
PC7	Procurement Processes	Effective Procurement processes in awarding contracts and ensuring sufficient specifications documents are prepared prior to going out to the market	C4) b	Associate Director Finance & Procurement		
PC8	Financial Indicators	Financial indicators are in line with annual targets (as outlined in the Long-Term Financial Plan) with a focus on Asset Renewal Funding Ratio between 90% - 110%, which is set by legislation.	C1) a, c C2) b, d C3) b, c	Associate Director Finance & Procurement		
PC9	Cost and Revenue Financial Modelling	Regular multi scenario financial modelling for cost and revenue shocks (roll into LTFP control).	C1) a, c C2) b, c, d C3) b, e	Associate Director Finance & Procurement		
PC10	Annual Business Planning, Budget and Rating Review Process	Quarterly review of the Annual Business Plan and Budget, supported by rolling multi year financial forecasts, to ensure funding decisions remain aligned to strategic objectives and legislative requirements. The process includes periodic review of the Rating System to confirm revenue assumptions remain appropriate and sustainable.	C1) b, d C2) a, e C3) b, c	Associate Director Finance & Procurement		
PC11	Treasury Policy & Implementation	A Treasury Policy to govern cash management, borrowings, investments and financial risk in accordance with Council approval and regulatory requirements. Council ensures compliance with the outlined Treasury Policy.	C2) f	Associate Director Finance & Procurement		
PC12	Financial Delegations Policy and Approval Thresholds (to keep but potentially place under the governance risk)	Council has defined clear, delegations and approval thresholds, supported by regular monitoring	C4) a, c	Associate Director, Finance & Procurement		

MC3	Review over mandatory vs non-mandatory services	Council periodically reviews service delivery to prioritise mandatory and critical services, allowing discretionary or lower priority services to be reduced, deferred or ceased to manage financial impacts.	CO5, CO4	Associate Director Governance & Strategy		
MC4	Insurance over lost revenue	Insurance arrangements are in place to provide partial compensation for specific revenue losses arising from insured events, reducing the financial impact on Council operations and budgets.	CO1, CO5, CO4	Associate Director Governance & Strategy		

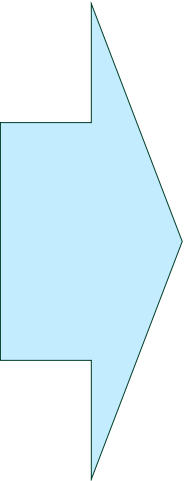
Page 103

	Treatments / Actions	Control link (if applicable)	Action owner	Target date
	Deliver conservation management plans for bridge assets subject for funding for future financial years.		Associate Director Infrastructure	30-Jun-28
2	Obtain up to date cost advice & validate unit rates from independent cost managers		Associate Director Infrastructure	30-Jun-28
3	Determine future funding requirements for community assets such as Torrens Weir enhancement and replacement / strengthening of Adelaide Bridge		Associate Director Infrastructure	Adelaide Bridge - complete / Torrens Weir - 30 June 2027 / Rundle UPark - 31 Dec 2026
4	Increase rate revenue by increasing number of dwellings in accordance with the City Plan by 2036		Associate Director Strategic Property & Commercial	31-Dec-36
5	Continue project partnering with community housing providers (CHP) to mitigate the extent of capital required.		Associate Director Strategic Property & Commercial	31-Dec-28
6	Develop sales and tenancy targets associated with City of Adelaide housing developments		Associate Director Strategic Property & Commercial	31-Dec-26
7	Expand Forward cost pressure register to include unfunded strategies to ensure that all strategies identified are costed for		Associate Director Finance & Procurement	30-Jun-27
8	Effective comprehensive review of Strategic Management Plans, through the Strategic Management Framework including service levels		Associate Director Governance & Strategy	30-Jun-28
9	Review effectiveness of grant acquittal process and reporting		Associate Director Governance & Strategy	30-Jun-27
10	Formalise periodic assessment of exposure to State and Commonwealth funding and legislative changes.		Associate Director Governance & Strategy	30-Jun-27
11	Consider standardising business case model and process including financial modelling to inform financial decision making (for initiatives, strategic projects, new revenue streams)		Associate Director Finance & Procurement	30-Jun-27
12	Consider action to be taken to identification of alternative revenue sources (capability, regular process, accountability model, innovation and idea process).*Note current Internal Audit on this topic		Associate Director Strategic Property & Commercial	30-Jun-27
13	Documented Policy of Council approved cost recovery and subsidy process		Associate Director Finance & Procurement	30-Jun-28
14	Develop a business case to inform consideration of increasing climate adaptation investment to strengthen Long Term Financial Plan shock reserves (once preliminary planning has been undertaken)		Associate Director Finance & Procurement	30-Jun-28

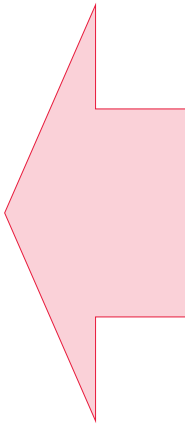
Risk 2 - Cyber security

Risk Owner: Anthony Spartalís, Chief Operating Officer
Risk Review Date:
Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Cyber Governance & Oversight	
a	Cyber risks not clearly owned or overseen at an executive level	PC3, PC4, PC6
b	Cyber security not consistently considered in strategic and investment decisions	PC3, PC11
c	Limited visibility of cyber risk exposure for Council and committees	PC3, PC4, PC5
d	Inconsistent application of cyber policies across the organisation	PC2, PC6, PC10
e	Poor threat monitoring etc.	PC1, PC5, PC7
C2	Technology & System Weaknesses	
a	Legacy or unsupported systems with known vulnerabilities	PC3, PC8, PC9
b	Inconsistent patching and system hardening	PC1, PC6, PC10
c	Poor system architecture or network segmentation	PC3, PC10
d	Increasing reliance on cloud and digital platforms without sufficient security controls	PC3, PC11, PC15
C3	Identity, Access & Privileged Controls	
a	Excessive or poorly managed user access	PC12, PC14
b	Weak controls over privileged or administrator accounts	PC12, PC14
c	Inadequate access reviews when staff change roles or leave	PC12
C4	People & Cyber Awareness	
a	Low staff awareness of phishing and social engineering threats (e.g. resulting in data breach)	PC2, PC5, PC13
b	Inconsistent cyber training across roles	PC2, PC6
c	High reliance on individuals to identify and respond to cyber threats	PC1, PC5, PC7
d	Increasing sophistication of cyber attacks (Use of AI, Social Engineering)	PC1, PC2, PC5
C5	Third Party & Supply Chain Risk	
a	Vendors and partners with inadequate cyber security controls	PC3, PC11, PC15
b	Limited assurance over third party system access	PC12, PC14, PC15
c	Dependence on critical ICT vendors for service continuity	PC11, PC15



Risk Event: Our cyber security vulnerability exposes us to data breaches and system compromises, risking sensitive information and operational disruption.		
Target Risk Level: High		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Likely	Possible
Impact	Major	Moderate
Rating	Extreme	High
Worst case plausible scenario (current Risk): Cyber attack resulting in a large scale data breach compromising HR records, including TFNs, superannuation and personal details of approximately 950 current and former employees, leading to significant privacy harm, regulatory action, financial loss, and prolonged operational disruption.		



#	Consequences	Relevant controls / Adequate coverage
C01: Financial Consequences	Direct financial losses arising from incident response, forensic investigation, system restoration and remediation; regulatory penalties or legal costs associated with privacy or information security breaches; increased cyber insurance premiums, reduced coverage or uninsured losses following significant incidents.	MC1, MC3, MC4
C02: Safety	Indirect impact	MC2
C03: Environment	Indirect impact: Could be secondary incidents where compromised systems disrupt monitoring or control of environmental assets (e.g. wastewater, drainage or energy systems)	MC2
C04: Reputation / Brand Image	Loss of community trust and confidence due to unauthorised disclosure of personal or sensitive information; negative media coverage, public scrutiny or regulatory findings following data breaches; perception that Council cannot adequately safeguard information or digital services.	MC2, MC3, MC4
C05: Service Delivery	Disruption or outage of critical systems and digital services impacting day to day operations; reduced service availability and productivity during response and recovery; reliance on manual workarounds leading to inefficiencies, delays and increased error rates.	MC2, MC4

#	Preventative Control Name (In Place)	Control description	Cause mapping	Owner	Effectiveness	Key / Not key
PC1	Cyber Security Testing, Penetration Testing and Audit Assurance	A coordinated cyber security assurance program performs regular testing of system configurations, controls and processes, including annual penetration testing and targeted audits. These activities identify vulnerabilities and control weaknesses, assess control effectiveness, support compliance (including PCI DSS), and inform remediation in response to system changes or emerging risks.	C1) e C2) b, C4) c, d	Associate Director Information Management		
PC2	Mandatory Cyber Security Awareness and Compliance Training	Mandatory cyber security awareness training is delivered annually and as part of induction for all staff to build baseline cyber awareness. Completion is tracked and enforced through formal compliance mechanisms, including reporting through the CEO scorecard, to ensure consistent participation and accountability.	C1) d C4) a, b, d	Associate Director Information Management		
PC3	Cyber Security Investment Roadmap and Essential Eight Maturity Management	A cyber security investment roadmap aligns initiatives and funding to Essential Eight maturity targets, supported by ongoing maturity assessments, defined action plans, and periodic internal and external reviews. Progress is monitored and reported to governance bodies, with consideration of key controls, including vendor and supply chain risks.	C1) a, b, c C2) a, b, c, d C5) a	Associate Director Information Management		
PC4	Cyber Security Reporting to SRIA	Cyber security posture, key risks, and control effectiveness are reported to SRIA on a six monthly basis to support governance oversight and risk discussion.	C1) a, c	Associate Director Information Management		

#	Mitigating control	Control description	Consequence mapping	Owner	Effectiveness	Key / Not key
MC1	Cyber Security Insurance Coverage	Cyber security and professional indemnity insurance is maintained through LGAAAMF to mitigate the financial impact of cyber incidents, including data breaches, recovery costs, and third party claims.	C01	Associate Director Governance & Strategy		
MC2	Business Continuity and Disaster Recovery Capability	Emergency Management Plan (including Business continuity and disaster recovery) arrangements are in place to enable timely restoration of critical systems and services following a cyber incident, reducing operational disruption.	C02, C03, C04, C05	Associate Director Governance & Strategy		
MC3	Contractual Remedies and Legal Recourse	Contractual provisions allow the organisation to seek remedies from vendors or third parties where cyber incidents arise from contractual non compliance or service failures.	C01, C04	Associate Director Finance & Procurement		
MC4	Cyber Attack Response	A layered cyber security control framework is implemented, including network security, endpoint protection, access controls, regular vulnerability assessments, and continuous monitoring, to detect, prevent and respond to cyber attacks in a timely manner.	C01, C04, C05	Associate Director Information Management		

PC5	Cyber Threat Monitoring and KPI Reporting	Cyber security performance is monitored through defined KPIs and metrics (e.g. detected and prevented threats, security incidents, PCI incidents, phishing failure rates), with monthly tracking and quarterly reporting, including reporting via the CEO scorecard.	C1) c, e C4) a, c, d	Associate Director Information Management		
PC6	Cyber Security Operating Guidelines, Work Instructions and Patching Standards	Cyber security operating guidance is documented through mandatory operating guidelines and work instructions, including defined standards for system use, governance arrangements for major technology decisions, and documented processes and responsibilities for system and application patching. Consequences for non compliance are defined and enforced.	C1) a, d C2) b C4) b	Associate Director Information Management		
PC7	Threat Monitoring Tools	Contemporary cyber threat monitoring tools (e.g. Splunk, Defender, Sentinel) are implemented and actively monitored to detect and respond to cyber security threats and inform KPI reporting.	C1) e C4) c	Associate Director Information Management		
PC8	Legacy System Lifecycle and Decommissioning Management	A formal lifecycle and decommissioning approach is applied to legacy and unsupported systems, including assessments of end of life risk and delivery of upgrade and replacement programs through a structured roadmap.	C2) a	Associate Director Information Management		
PC9	Technology Asset Register	A centralised technology asset register (including CMDB and physical hardware) is maintained to support asset management, renewals, and cyber risk visibility.	C2) a	Associate Director Information Management		
PC10	CIS Hardening Framework	The CIS hardening framework is applied to strengthen baseline system configurations and reduce cyber security vulnerabilities.	C1) d C2) b, c	Associate Director Information Management		
PC11	Cloud Security Assurance and Vendor Risk Assessment	Cloud services are subject to mandatory security assurance and vendor risk assessments prior to implementation, including evaluation of security controls, vendor capability and identity management arrangements to ensure compliance with defined standards.	C1) b C2) d C5) a, c	Associate Director Information Management		
PC12	User and Privileged Access Management	User and privileged access is centrally managed through defined provisioning, approval and decommissioning processes, with periodic access reviews and automated controls to disable inactive accounts and ensure access aligns with user roles.	C3) a, b, c C5) b	Associate Director Information Management		
PC13	EFTsure Payment File Validation	Monthly validation of payment files is performed through EFTsure controls via the banking provider to reduce fraud and payment redirection risks.	C4) a	Associate Director Information Management		
PC14	Third Party User Account Management	Third party users are issued controlled organisational accounts with defined access, monitoring, and management requirements.	C3) a, b C5) b	Associate Director Information Management		
PC15	Security Requirements in Contracts and SLAs	Cyber security obligations are embedded within cloud contracts and service level agreements to enforce vendor security and compliance requirements.	C2) d C5) a, b, c	Associate Director Information Management		

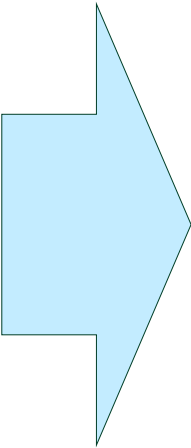
#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Implement SOAR technologies to automate cyber threat analysis, response, and mitigation activities across the organisation.		Associate Director Information Management	30-Jun-29
2	Document cyber security accountability and oversight arrangements in a formal operating guideline, clearly defining responsibilities from the COO through SRIA and ARC.		Associate Director Information Management	31-Dec-26
3	Deliver targeted cyber security training for high risk roles and vendor personnel, including focused training on phishing, vishing, and secure use of applications and technology hardware.		Associate Director Information Management	30-Jun-27

Risk Owner: Tom McCready, Director - City Infrastructure

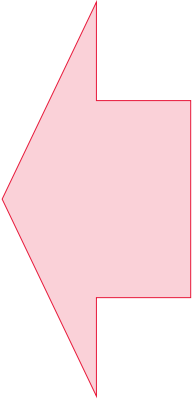
Risk Review Date:

Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Inadequate information to make informed decisions	
a	Incomplete, inaccurate or outdated asset condition and performance data	PC8, PC10
b	Asset systems not integrated with financial, service or capital planning systems	PC11
c	Limited use of data and analytics to inform asset decisions and prioritisation	PC9, PC10
C2	Inadequate planning and decision making:	
a	Asset planning not clearly aligned to Council's strategic objectives and community priorities	PC2, PC9
b	Ineffective formal decision-making framework, resulting in asset owners and key decision makers unable to make informed decisions that balance cost, risk and performance.	PC2, PC4, PC12
c	Long term demand drivers (growth, climate, changing use) not adequately reflected in planning	PC2, PC9
d	Insufficient representation Asset Management capability into strategic planning / subordinate planning processes	PC2, PC5
C3	Insufficient Investment, Prioritisation & Funding	
a	Under-investment of asset renewal program - increasing deterioration of assets including from climate change, resulting in an increase in asset renewal and shorter asset cycle and costs of upgrading/betterment when repairing assets.	PC1, PC4, PC9
b	Lifecycle costs not fully considered in investment decisions	PC2, PC12
c	Community Expectations/ Member Commitments drive asset management & funding decisions and this is not aligned with agreed asset management plans	PC4, PC13
C4	Inadequate Delivery, Capability & Resourcing	
a	Project delivery challenges, including supply chain risk, lack of skilled personnel and resources to deliver on program.	PC3, PC5, PC6
b	Limited organisational capability to plan, deliver and manage complex asset programs	PC5, PC6
c	Project Delivery is not programmed effectively, resulting in service disruptions (e.g. traffic, inability to secure contractors (market capacity), effectively procure)	PC3, PC4
C5	Poor Governance, Assurance & Decision Making	
a	Asset related risks not clearly articulated or escalated to decision makers	PC4, PC9
b	Inconsistent application of asset management principles across the organisation	PC6, PC7



Risk Event: Our assets and infrastructure do not meet community needs, and planning, systems and programs are not fit for purpose.		
Target Risk Level: High		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Likely	Possible
Impact	Major	Moderate
Rating	Extreme	High
Worst case plausible scenario (current Risk): Either through gradual deterioration from ineffective maintenance or a sudden one off failure, critical assets fail, resulting in significant service disruption, safety impacts, unplanned costs and reputational damage (e.g. worst case could be a Major Asset Failure such as Torrens Weir or Adelaide Bridge)		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Increased capital and operating costs due to inefficient asset investment, unplanned renewals and reactive maintenance; cost overruns resulting from poor asset planning, prioritisation or sequencing; reduced ability to secure external funding or grants due to weak asset strategies and business cases.	MC1
CO2: Safety	Increased risk of injury or harm to the community, employees and contractors due to asset failures, degraded infrastructure or unsafe public spaces; heightened WHS risks arising from ageing assets and inadequate maintenance programs.	MC2, MC4
CO3: Environment	Environmental harm resulting from asset failures or inadequate infrastructure (e.g. wastewater overflows, stormwater impacts, erosion or contamination); reduced ability to protect and enhance natural assets due to misaligned or under resourced asset and infrastructure programs.	MC4
CO4: Reputation / Brand Image	Loss of community trust and confidence due to perceived failure to maintain assets and infrastructure that meet current and future needs; negative media attention and public criticism arising from visible asset failures or service complaints; perception that Council lacks long term planning and stewardship, or council is unprepared for foreseeable events.	MC3
CO5: Service Delivery	Service disruptions, reduced service quality or unmet community expectations due to unreliable or unsuitable assets; inefficient operations driven by reactive maintenance, workarounds or asset downtime; inability to support population growth, service changes or strategic objectives due to misaligned asset planning.	MC2, MC4

#	Preventative Control Name (In Place)	Control description	Cause mapping	Owner	Effectiveness	Key / Not key
PC1	Delivery of Asset Renewals & Ongoing Measurement of Asset Renewal Ratio	Deliver Asset Renewals in line with Council approved Asset Management Plans to ensure we are managing our assets in a financially sustainable manner. One of the key ratios Council is required to assess itself against is Asset Renewal Ratio (Target 100%).	C3) a	Associate Director Infrastructure		
PC2	Strategic Asset Management Plans	Strategic Asset Management Plans are maintained and reviewed on a four year cycle with annual updates and public consultation, ensuring alignment to the Strategic Plan. Plans incorporate lifecycle forecasting, integrated planning, asset upgrade opportunities, long term cost projections, and data driven analysis to inform investment decisions.	C2) a, b, c C3) b, d	Associate Director Infrastructure		
PC3	Project Management Framework	Implement and embed that staff follow the project management framework for all projects, delivered by the Council, ensuring renewal, major, new and upgrade projects follow a 3-year cycle across Plan, Design and Construction.	C4) a, c	Associate Director Governance & Strategy		
PC4	Project Change and Asset Investment Governance Forums	Formal governance forums (CTG, PCG and ARG) oversee project changes and asset investment decisions, including review, prioritisation and approval of scope, schedule, cost and renewal expenditure, with decisions documented and communicated in line with defined governance standards.	C2) b C3) a, c C4) c C5) a	Associate Director Governance & Strategy		

#	Mitigating control	Control description	Consequence mapping	Owner	Effectiveness
MC1	Insurance	Insurance arrangements are in place to partially offset financial losses arising from asset damage or failure, reducing the financial impact on Council.	CO1	Associate Director Governance & Strategy	
MC2	Business Continuity	Business continuity plans support the continuation or rapid restoration of critical services following asset failures or disruptive events.	CO5, CO2	Associate Director Governance & Strategy	
MC3	Internal Media Team	An internal communications capability is in place to manage stakeholder and community communications during asset incidents, reducing reputational and confidence impacts.	CO4	Associate Director Customer & Marketing	
MC4	Defer discretionary to prioritise high risk works	Council can defer discretionary or lower priority works to redirect resources toward critical or high risk assets, limiting safety, service and financial impacts.	CO2, CO5, CO3	Associate Director Infrastructure	

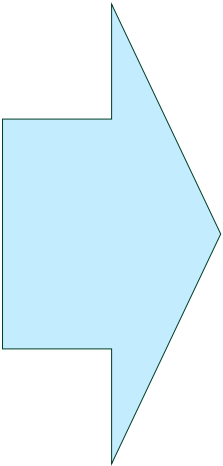
PC5	PMO Processes (CTG, PCG and ARG Meetings)	Effective PMO processes and systems including: Weekly and fortnightly meetings of the Change Triage Group (CTG), Project Control Group (PCG) and Asset Renewal Group (ARG) to recommend, govern and authorise changes to project scopes, schedules and cost, including options review, best delivery approaches, and allocation of expenditure for asset renewals.	C2) d C4) a, b	Associate Director Governance & Strategy		Linked to Financial
PC6	Project Manager Capability	Mandatory training for project managers internal requirements of capital delivery	C4) a, b C5) b	Associate Director Infrastruture		
PC7	Capital Delivery Compliance and Assurance	Maintain Project Managers awareness to CoA's internal framework and systems for capital delivery and run periodic review of compliance against these requirements.	C5) b	Associate Director Infrastruture		
PC8	Asset Condition Monitoring Regime	A defined asset condition monitoring regime is in place, specifying inspection frequencies by asset class and maintaining central tracking to ensure inspections are completed, current and inform asset risk and renewal decisions.	C1) a	Associate Director Infrastruture		
PC9	Strategic Asset Performance Monitoring	Strategic asset performance is monitored through defined reporting on asset risk, condition and service impacts to support informed decision making beyond expenditure based measures.	C1) c C2) a, c C3) a C5) a	Associate Director Infrastruture		
PC10	Asset Management System (Assetic Brightly)	Council utilises an enterprise asset management system (Assetic Brightly) with controlled user access and governance arrangements to support asset data integrity, lifecycle planning and decision making.	C1) a, c	Associate Director Infrastruture		
PC11	Integration Between Asset Management and Corporate Systems	Asset management systems interface with corporate systems (T1) to support consistent asset data and planning inputs, with identified limitations in integration with capital and work planning informing ongoing improvement opportunities.	C1) b	Associate Director Infrastructure		
PC12	Business Case and Cost Estimation for Major Projects	Robust business case development and cost estimation processes are applied to major asset projects to support informed investment decisions and whole of life financial consideration.	C2 b C3) b	Associate Director Infrastruture		
PC13	Assessment of Urgent Member or Community Driven Asset Requests	A formal process exists for evaluating urgent member or community driven asset funding requests, with governance arrangements under review to improve consistency, prioritisation and alignment to strategic and asset planning frameworks.	C3) c	Associate Director City Culture		

#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Maintain Project Managers awareness (including mandatory training) to CoA's internal framework and systems for capital delivery and run periodic review of compliance against these requirements.		Associate Director Governance & Strategy	This is currently occurring.
2	Maintain minimum standards for presentation and decision making through CTG including details of cost, time and quality implications for assets. Ensure CTG minutes and decisions are disseminated to relevant stakeholders		Associate Director Governance & Strategy	31-Dec-26
3	Develop and implement enhanced performance metrics and reporting for Asset Management Plans, including regular Council level reporting on asset risk, condition and service impacts, and assess asset renewal funding on a rolling multi year basis.		Associate Director Infrastructure	31-Dec-27
4	Progressively incorporate climate projections, lifecycle costing, criticality analysis and 'like for resilient' renewals into Asset Management Plans and ensure asset and infrastructure design principles are considered and updated.	linked to climate	Associate Director Infrastructure	30-Apr-29

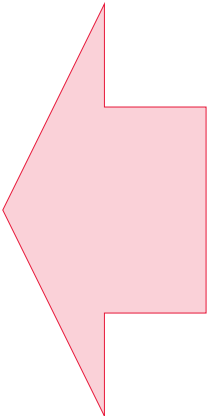
Risk 4: Business Resilience

Risk Owner: Anthony Spartalis, Chief Operating Officer
Risk Review Date:
Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Lack of defined Governance, Roles & Accountability for disruptions	
a	Roles and decision making authority during disruption events are unclear or untested	PC4, PC6
b	Business continuity responsibilities not clearly owned at an executive level and SLT	PC1, PC8
c	Inconsistent oversight of disruption risks across the organisation	PC1, PC2
C2	Poor Risk Identification & Preparedness	
a	Critical services and dependencies not clearly identified or prioritised	PC8, PC9
b	Business impact analysis not routinely updated to reflect current operations	PC9
c	Emerging disruption risks (climate, cyber, supply chain) not systematically assessed	PC1, PC7
C3	Inadequate Planning, Frameworks & Integration	
a	Business continuity, security, and emergency plans not aligned with operational realities	PC4, PC5, PC8, PC12
b	Poor integration between business continuity, emergency management and ICT recovery planning	PC4, PC8, PC11, PC12
c	Plans focus on documentation rather than practical response capability	PC6, PC7, PC12
C4	Insufficient Capability and Testing	
a	Insufficient staff capability or training to respond effectively during disruptions	PC6, PC13
b	Limited or infrequent exercising of disruption response arrangements	PC7
c	Lessons learned from incidents or exercises not consistently embedded	PC1, PC7
d	Weak coordination and/or relationships/communication channels with third parties who we depend on	PC2, PC3
C5	Third Party & Interdependency Risk	
a	Dependence on external providers without clear continuity expectations	PC2, PC8
b	Limited visibility of third party failure impacts on essential services	PC9, PC10
c	Weak coordination with partners during multi agency disruption events	PC3, PC7



Risk Event: Our preparation or response to disruptions of essential services and operations due to unforeseen events is inadequate.		
Target Risk Level: Moderate		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Possible	Possible
Impact	Major	Moderate
Rating	High	High
Worst case plausible scenario (current Risk): Failure to adequately prepare for or respond to a major disruption (e.g. security incident, pandemic, earthquake or flood) results in ineffective response and prolonged service disruption, exposing Council to safety risks, significant financial impacts and reputational damage.		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Increased costs from emergency response, recovery and service restoration; unplanned expenditure for repairs, temporary arrangements and external support; higher insurance premiums, reduced insurability and uninsured losses following major disruptions; and reduced capacity to fund planned initiatives due to budget reallocation.	MC2, MC4
CO2: Safety	Increased risk of injury or harm to community members, employees and contractors due to service outages, infrastructure failure or inadequate emergency response; heightened psychosocial risks arising from stress, fatigue and extended disruption periods.	MC1
CO3: Environment	Environmental harm or secondary incidents resulting from loss of control over assets or services (e.g. wastewater, waste, drainage or fuel systems) during disruptions; delayed response exacerbates pollution, contamination or degradation of natural assets.	MC1, MC4
CO4: Reputation / Brand Image	Loss of community trust and confidence in Council's ability to manage emergencies and maintain essential services; negative media coverage, public criticism or political scrutiny following prolonged or poorly managed disruptions; perception that Council is unprepared for foreseeable events.	MC1, MC3
CO5: Service Delivery	Extended disruption or suspension of essential services and operations; inability to meet service level expectations or statutory obligations during events; inefficient recovery due to lack of clarity over priorities, roles, dependencies or recovery time objectives.	MC1, MC5

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	Emergency Management Steering Committee meetings	Bi monthly meetings of the Emergency Management Steering Committee provide executive oversight of emergency management arrangements, preparedness, risks, and improvement actions across Council.	C1) b, c C2) c C4) c	Associate Director Governance & Strategy		
PC2	Security Management Committee meetings	Bi monthly Security Management Committee meetings are held with the contracted security provider (Wilson), supported by monthly performance reporting and KPI monitoring to oversee security risks and incidents.	C1) c C4) d C5) a	Associate Director Governance & Strategy		
PC3	ZEMC Committee Meetings	Council participates in the Eastern Adelaide Zone Emergency Management Committee on a quarterly basis to support regional coordination, information sharing and alignment with external emergency management arrangements.	C4) d C5) c	Associate Director Governance & Strategy		

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
MC1	Incident Review and Lessons Learned	A structured incident review and investigation process is undertaken following disruptions to identify root causes, capture lessons learned and drive corrective actions to strengthen future resilience.	C05, C04, C03, C02	Associate Director Governance & Strategy		
MC2	Insurance Coverage	Insurance arrangements are in place to partially offset financial losses arising from disruptive events, reducing the financial impact on Council operations and recovery efforts.	C01	Associate Director Governance & Strategy		
MC3	Media and Public Communications Response	Defined media response and public notification processes, including escalation channels, support timely, coordinated communication during disruption events to manage community expectations and reputational impacts.	C04	Associate Director Customer & Marketing		

PC4	Emergency Management Framework	An overarching Emergency Management Plan defines what constitutes an emergency and sets out clear roles, responsibilities and command structures to be followed during emergency events, including clear escalation and communication pathways define what constitutes a disruption or emergency and who to contact.	C1) a C3) a, b	Associate Director Governance & Strategy		
PC5	Site Based Emergency Planning	Site specific emergency management plans are maintained for Council facilities, including evacuation procedures and emergency response instructions, and are reviewed on a scheduled cycle and following site changes.	C3) a	Associate Director Governance & Strategy		
PC6	Council Commanders Capability	Trained Council Commanders are maintained, with quarterly training to ensure emergency leadership capability.	C1) a C3) c C4) a	Associate Director Governance & Strategy		
PC7	Emergency and Disruption Scenario Testing	An annual program of internal and multi agency scenario exercises is conducted to test emergency response, escalation processes and inter agency coordination.	C2) c C3) c C4) b, c C5) c	Associate Director Governance & Strategy		
PC8	Business Continuity Governance and Framework	A Business Continuity framework defines how Business Continuity Plans are developed, maintained and governed, including the use of Business Impact Assessments to determine critical services and recovery priorities.	C1) b C2) a C3) a, b C5) a	Associate Director Governance & Strategy		
PC9	Business Impact Assessments (BIA)	Business Impact Assessments are refreshed at least every two years and reviewed and endorsed by the Coordinator, Security and Emergency Management to ensure consistent assessment of business criticality.	C2) a, b C5) b	Associate Director Governance & Strategy		
PC10	Business Continuity Plans (BCPs)	Business Continuity Plans are developed for critical functions based on BIAs, with clear ownership, defined recovery strategies, and central availability to staff via an internal webpage.	C5) b	Associate Director Governance & Strategy		
PC11	ICT Disaster Recovery Arrangements	ICT disaster recovery processes define critical systems, recovery objectives and workaround arrangements.	C3) b	Associate Director Information Management		
PC12	Protection of Critical Records and Assets	Heritage and archive materials are protected through physical and environmental controls, including VESDA systems.	C3) a, b, c	Associate Director Information Management		
PC13	Emergency Response and Safety Training	Emergency evacuation, fire warden and aggression management training supports safe response to incidents involving people risk.	C4) a	Associate Director Governance & Strategy		

#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Develop and implement a new suite of Business Continuity Plans focused on Council's core critical business functions.		Associate Director Governance & Strategy	31-Dec-26
2	Develop and implement a Security Framework to support organisational resilience and protection of critical assets and operations.		Associate Director Governance & Strategy	31-Dec-26
3	Develop and maintain a forward emergency exercise and testing schedule to regularly test business continuity and emergency response arrangements.		Associate Director Governance & Strategy	31-Dec-26
4	Develop a Recovery Plan (community and operational) for major disruption scenarios (e.g. earthquakes, natural disasters, pandemics), clearly defining Council's role and responsibilities in community recovery.		Associate Director Governance & Strategy	31-Dec-27

MC4	Budget Re-prioritisation	Council can re prioritise budgets following disruption events to redirect resources toward response and recovery activities, supporting service restoration and continuity.	C01, C05, C03	Associate Director Finance & Procurement		
-----	--------------------------	---	---------------	---	--	--

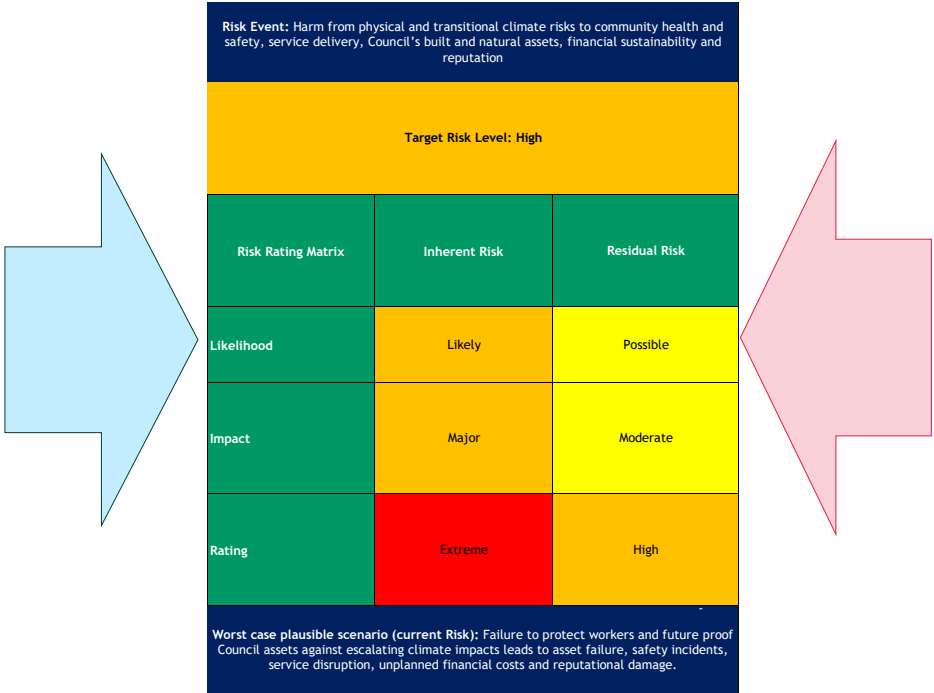
Risk 5: Climate Resilience

Risk Owner: Ilia Houridis, Director - City Shaping

Risk Review Date:

Next Review Date:

C1	Lack of Governance & Strategic Direction	
a	Climate risk not clearly owned or overseen at an executive and council level	PC9, PC12
b	Climate adaptation not consistently embedded in Council decision making	PC1, PC9, PC12
c	Limited accountability for climate outcomes across the organisation	PC9, PC12, PC13
d	Regulatory, legal, behaviour and market shifts related to emissions reduction, asset devaluation, litigation and disclosures not effectively integrated into Council's policy	PC4, PC19
e	Failure to leverage Adelaide's climate leadership to attract investment, talent and partnerships.	PC11
C2	Ineffective climate risk identification and planning;	
a	Climate risks to assets, services and communities not fully identified	PC4, PC9
b	Ineffective planning for the impacts of climate change on Council infrastructure, park lands, open space, biodiversity and cultural landscapes, threatening environmental values, service levels and economic outcomes.	PC6, PC8
c	Failure to integrate increasing frequency, severity and complexity of extreme weather events - heat, drought, flooding, storms, and air pollution (smoke and dust)	PC4, PC5, PC6
C3	Lack of appropriate actions to address climate impacts	
a	Ineffective policies and preparedness to manage prolonged heat, extreme weather and cascading impacts on community health, safety, social cohesion and frontline service capacity.	PC3, PC5, PC7, PC13
b	Inability to adequately prepare for impacts from extreme weather events (e.g. increased and prolonged heatwaves, increased flooding and urban heat island effects.)	PC5, PC6
c	Climate considerations not fully integrated into asset, service and financial planning	PC1, PC6, PC8, PC10, PC14
d	Adaptation actions not clearly prioritised or sequenced	PC1, PC10, PC13
e	Weak alignment across Council (administration and councillors) with respect to delivery of climate strategies and programs	PC9, PC12
f	Limited evaluation of climate resilience in project design	PC6
C4	Inadequate investment/ funding	
a	Inability to prioritise and fund key initiatives to mitigate impacts of Climate Change (including consideration of future legislative changes.)	PC1, PC2, PC10
b	Capital and renewal programs do not adequately incorporate climate risk and response	PC6
c	Under-investment or untimely investment in adaptation, mitigation and emergency preparedness	PC2, PC10
C5	Lack of appropriate data capture and monitoring	
a	Limited asset level climate vulnerability and condition data & monitoring	PC6, PC8
b	Inadequate tools to assess climate impacts on infrastructure and environment	PC4, PC9
c	Performance of climate actions not clearly measured or reported	PC9, PC13
d	Gaps in climate and hazard data, asset and financial modelling, governance and capability	PC4, PC9



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Increased capital and operating costs from climate related asset damage; higher insurance premiums, reduced insurability and unfunded renewal liabilities; greater budget volatility and exposure to unfunded recovery costs; and reduced access to climate related funding due to inadequate preparedness.	
CO2: Safety	Increased risk of injury or harm to community members, workers and contractors arising from extreme heat, flooding, bushfire, storms or failure of climate exposed infrastructure; increased emergency response demands exceeding Council's capacity. Adverse health, safety and wellbeing outcomes for residents, workers, visitors and vulnerable communities	
CO3: Environment	Degradation or loss of natural assets, biodiversity and ecosystems due to inadequate climate adaptation or mitigation measures; increased environmental incidents such as erosion, pollution or habitat loss exacerbated by climate impacts.	
CO4: Reputation	Loss of community trust and confidence due to perceived failure to manage climate risks, with adverse media scrutiny and reduced credibility with government and partners; decline in the city's reputation, liveability and competitiveness.	
CO5: Service Delivery	Disruption to essential services from climate related asset failures and extreme events, resulting in reduced service reliability and slower recovery; diversion of resources to response and recovery; and impacts on workforce health and wellbeing, particularly for outdoor roles.	

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	Prioritisation Process	Use of ICS for prioritisation process for the Annual Business Plan and Budget aligned to climate risk	C1) b C3) c, d C4) a	Associate Director Park Lands, Policy & Sustainability		

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness
MC1	Nil				

PC2	Climate Action Initiative Fund	Preservation of a percentage of rate for Climate Change Action Initiative Fund	C4) a, c	Associate Director Park Lands, Policy & Sustainability		
PC3	Working in Heat, Extreme Weather and Fatigue Management Framework	A coordinated framework is implemented to manage risks associated with heat, extreme weather and fatigue, supported by documented procedures and embedded into operating processes and risk assessments.	C3) a	Associate Director People		Linked to People
PC4	Knowledge Development	Keeping informed of up-to-date science and adaptation knowledge, through IPCC, National & State Government, CSIRO, BOM and LGA updates, as well as partnerships with Universities, and participating in regional climate change adaptation partnerships (e.g. Resilient East)	C1) d C2) a, c C5) b, d	Associate Director Park Lands, Policy & Sustainability		
PC5	Urban Heat Mitigation and Extreme Heat Response	Accelerated urban heat management: urban greening, 24/7 refuge stops, cool wayfinding tool, heat health warnings, event scheduling and contingencies, community centres and libraries	C2) c C3) a, b	Associate Director Park Lands, Policy & Sustainability		
PC6	Climate Informed Stormwater and Built Infrastructure Resilience Management	Stormwater and built infrastructure are managed through a climate informed Stormwater Management Plan, supported by condition monitoring and maintenance. Controls include investment in priority cooling, refuge and flood mitigation infrastructure in high risk locations, climate resilient design, flood mitigation assets, and the integration of WSUD/BSUD initiatives to reduce climate related asset risks.	C2) b, c C3) b, c, f C4) b C5) a	Associate Director Infrastructure		
PC7	Extreme Weather Homelessness Support Programs	Homelessness supports: Adelaide Zero Project, Safer Places to Gather initiative, Code Red and Blue activations	C3) a	Associate Director Park Lands, Policy & Sustainability		
PC8	Resilient Natural and Cultural Asset Management	Resilient natural and cultural assets: climate-resilient tree trials and research partnerships, Aboriginal Rangers Program, cultural burns, Key Biodiversity Area management plans and corridor mapping, Glenelg Adelaide Recycled Water System (partial irrigation coverage)	C2) b C3) c C5) a	Associate Director Park Lands, Policy & Sustainability		
PC9	Climate Governance, Risk and Disclosure Framework	Climate governance and risk: Implementing the Integrated Climate Strategy 2030 and ICS Governance Framework, including proactive AASB-aligned sustainability disclosures and a detailed Climate Risk and Opportunity Register (annually assessed)	C1) a, b, c, d C2) a C3) e C5) b, c, d	Associate Director Park Lands, Policy & Sustainability		
PC10	Integrated climate strategy is costed and prioritised	Funding for climate based on costed and prioritised actions to address strategies	C3) c, d, C4) a, c	Associate Director Park Lands, Policy & Sustainability		
PC11	Climate Leadership and Network Participation	Active involvement in climate networks (Global Covenant of Mayors (GCoM), International Council for Local Environmental Initiatives (ICLEI), Carbon Neutral Cities Alliance, Capital City Council Lord Mayor, Climate Emergency Australia (CEA), Resilient East), COP31 bid and associated leadership promotion	C1) e	Associate Director Park Lands, Policy & Sustainability		
PC12	Integrated Climate Strategy Steering Committee	Provides executive level governance and oversight of climate adaptation and mitigation priorities, ensuring alignment to the Integrated Climate Strategy and accountability for delivery.	C1) a, b, c C3) e	Associate Director Park Lands, Policy & Sustainability		
PC13	Climate Risk & Opportunity Action Tracking	Tracks and monitors delivery of actions from the Climate Risk & Opportunity Register to support timely implementation and ongoing review of climate risk treatments.	C1) c C3) d C5) c	Associate Director Park Lands, Policy & Sustainability		
PC14	Climate Informed Asset Management Planning	Progressively incorporate climate projections, lifecycle costing, criticality analysis and 'like for resilient' renewals into Asset Management Plans and ensure asset and infrastructure design principles are considered and updated.	C3) c	Associate Director Infrastructure		

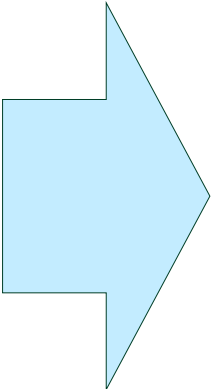
#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Finalise plan to reduce urban heat and improve thermal comfort in priority areas.		Associate Director Park Lands, Policy & Sustainability	30-Jun-28
2	Identify opportunities to reduce embodied carbon through alternative materials and design specifications.		Associate Director Infrastructure	30-Jun-27
3	Strengthen emergency response arrangements for heat, smoke and flood events.		Associate Director Governance & Strategy	31-Dec-26
4	Assess the need to develop and implement a Natural Asset Management Plan		Associate Director Infrastructure	30-Jun-27

MC2					
-----	--	--	--	--	--

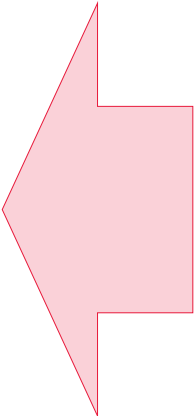
Risk 6: Statutory and Regulatory

Risk Owner: Jo Podoliak, Director - City Community
Risk Review Date:
Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Inadequate governance, capability and control over statutory and regulatory functions	
a	Governance arrangements, delegations and internal controls over statutory decision making are unclear or inconsistent, leading to invalid, inconsistent or unlawful regulatory outcomes.	PC4, PC7
b	Limited understanding across the organisation of what activities must be regulated and the extent of Council's statutory obligations.	PC2, PC3, PC7
c	Insufficient capacity, resourcing or competency of staff undertaking regulatory functions, resulting in errors, delays or failure to meet legislative requirements.	PC3, PC5, PC6
d	Regulatory obligations imposed by higher levels of government are impractical or uneconomic for Council to administer effectively.	PC2, PC5
C2	Poorly designed and inconsistently applied regulatory approval processes	
a	Poorly designed, undocumented or inconsistent permitting, licensing and approval processes across regulatory activities (e.g. events, food safety, traffic management, development and third party activities).	PC1, PC4, PC7
b	Lack of standardisation and quality assurance, increasing the likelihood of unsafe, non compliant or unlawful approvals..	PC3, PC7
C3	Ineffective incident escalation, inspection and enforcement practices	
a	Failure to act on, escalate or appropriately investigate incidents, complaints or intelligence from the public, allowing known safety or compliance issues to persist.	PC1, PC9
b	Ineffective or inconsistent inspection, monitoring and enforcement activities, resulting in non compliance or unsafe conditions not being identified or addressed.	PC1, PC8
C4	Insufficient information systems and data to support regulatory oversight	
a	Inadequate information systems, records and data to support regulatory decisions and track compliance history, repeat offenders or emerging risks.	PC5, PC9
b	Limited visibility of legacy or intervention identified compliance issues, leading to reactive rather than proactive regulatory management (e.g. Disability Discrimination Act non compliance).	PC5, PC8, PC9



Risk Event: Our failure to deliver statutory and regulatory requirements and manage public safety poses legal and reputational risks to the organisation.		
Target Risk Level: Moderate		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Possible	Unlikely
Impact	Moderate	Moderate
Rating	High	Moderate
Worst case plausible scenario (current Risk): Council fails to effectively discharge its regulatory functions (e.g. food safety inspections, tree management, building compliance and public lighting oversight), resulting in a preventable incident that causes harm to the public or environment, triggers regulatory investigation and adverse media coverage, and exposes Council to findings of maladministration.		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Regulatory penalties, fines and infringement notices; legal, investigation and advisory costs arising from regulator action; loss of grant funding or increased cost of insurance or financing due to non compliance.	MC1, MC2
CO2: Safety	Increased risk of injuries or incidents to employees and the public due to failure to comply with required standards, regulations, or codes of practice.	MC1
CO3: Environment	Environmental harm or pollution incidents resulting from failure to regulate environmental requirements; enforcement action and mandatory remediation, monitoring or corrective works.	MC1, MC2
CO4: Reputation / Brand Image	Loss of community trust and confidence due to perceptions of unlawful or poor governance; negative media coverage, public scrutiny or findings of maladministration; increased regulatory oversight or intervention.	MC2, MC3
CO5: Service Delivery	Disruption or delays to service delivery and projects due to compliance failures or enforcement action; diversion of resources away from service delivery to manage remediation, reporting and regulatory response. Do not fulfil requirements to administer.	MC1, MC2, MC3

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	Compliance and Enforcement Policy	A documented compliance and enforcement policy defines how and when Council responds to community complaints, including the use of proportionate and risk based enforcement actions.	C2) a C3) a, b	Associate Director Regulatory Services		
PC2	Formal Regulatory Liaison with the Local Government Association	Established communication channels with the Local Government Association support timely awareness of upcoming regulatory, legislative or sector wide changes affecting Council.	C1) b, d	Associate Director Regulatory Services		
PC3	Accreditation Requirements and Role Specifications	Accreditation requirements and role specific job specifications are defined, maintained and monitored to ensure staff undertaking regulatory functions meet relevant professional and statutory standards.	C1) b, c C2) b	Associate Director Regulatory Services		
PC4	Legislative Delegations and Authorised Officers Framework	A formal legislative delegations instrument, authorised officers register, onboarding and approval process (Director and CEO sign off), and revocation process are maintained.	C1) a C2) a	Associate Director Governance & Strategy		Linked to governance
PC5	Regulatory Activity Reporting and KPI Monitoring	Internal reporting and KPI monitoring track regulatory activity volumes (e.g. food inspections) and assess whether staffing levels and resources are sufficient to meet statutory requirements.	C1) c, d C4) a, b	Associate Director Regulatory Services		
PC6	Standard Operating Guidelines and Legally Reviewed Permit Conditions	Standard operating guidelines and legally reviewed permits and conditions support consistent, lawful and defensible regulatory decision making.	C1) a, b C2) a, b	Associate Director Regulatory Services		
PC7	Mandated Inspection and Monitoring Program	Inspection and monitoring activities are undertaken consistently for regulatory functions that Council is mandated to perform, in accordance with legislative requirements.	C3) b C4) b	Associate Director Regulatory Services		

#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Deliver regular refresher training on the compliance and enforcement policy to reinforce consistent and proportionate regulatory decision making across relevant staff.		Associate Director Regulatory Services	31-Dec-26

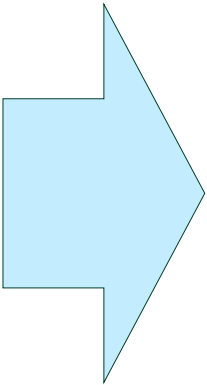
#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
MC1	Incident Management Process	A formal incident management and regulatory reporting framework is implemented to ensure incidents are promptly identified, assessed, escalated and reported in accordance with statutory and regulatory obligations.	CO1, CO2, CO3, CO5	Associate Director Governance & Strategy		
MC2	Legal Recourse	Formal legal frameworks, including access to internal and external legal counsel, are in place to manage regulatory breaches, support compliance obligations, and pursue or respond to legal actions in a timely and consistent manner.	CO1, CO3, CO4, CO5	Associate Director Governance & Strategy		
MC3	Media Response	A structured media and communications protocol is implemented to ensure accurate, timely and compliant public disclosures, including coordination with legal and regulatory requirements during incidents to protect Council's position and reputation.	CO4, CO5	Associate Director Customer & Marketing		

2	Progress the CRM program to support strategic relationship and regulatory management, including clear ownership, defined engagement protocols, and consistent capture of contacts, permits, inspections, complaints and compliance actions. Establish an organisation wide complaints framework with defined triage, categorisation, closure and reporting requirements		Associate Director Information Management / Associate Director Customer & Marketing	30-Jun-29
3	Implement a process to monitor arrangements for City Works and similar permits to ensure compliance expectations are consistently tracked and enforced following permit issuance.		Associate Director Regulatory Services	30-Jun-27
4	Define and propose government imposed regulatory costs budgeting and planning processes to ensure funding and resourcing for new or amended regulatory obligations are appropriately considered by Council.		Associate Director Regulatory Services	30-Jun-27

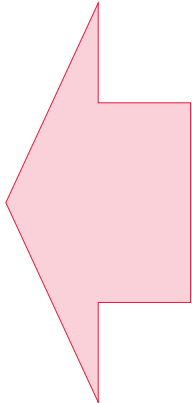
Risk 7: Stakeholder management

Risk Owner: Anthony Spartalis, Chief Operating Officer
Risk Review Date:
Next Review Date:

C1	Fragmented and inconsistent stakeholder and partnership management arrangements	
a	Magnitude and sophistication of stakeholder environment (lots of touch points, high effort, high complexity)	PC6, PC7, PC8, PC15
b	Stakeholder engagement and partnership activities are managed inconsistently across business units rather than through a single, coordinated framework	PC2, PC14
c	Absence of a common methodology for stakeholder identification, analysis, prioritisation and engagement planning	PC2, P14, PC15
d	Inconsistent documentation of stakeholder commitments, issues and relationship history reduces organisational continuity	PC6, PC11, PC15
e	Reliance on individual relationships rather than system based management increases key person risk	PC1, PC14
f	Lack of clarity over what partnerships/relationships are required to fulfill strategic objectives	PC3, PC9, PC14
C2	Unclear governance, roles and accountabilities for key relationships	
a	Ownership of critical stakeholder and partner relationships is not clearly defined or formally assigned	PC1, PC9
b	Escalation pathways for relationship risks, disputes or reputational issues are unclear or inconsistently applied	PC10, PC11
c	Overlap or gaps in responsibility between elected members, executives and operational leaders create confusion	PC1, PC4, PC13
d	Decision making authority in partnerships is not always aligned with accountability for outcomes	PC9
C3	Insufficient capability and capacity to manage complex stakeholder environments	
a	Limited training and development in stakeholder management, negotiation and partnership leadership for managers and staff	PC2, PC4, PC12
b	High workloads and competing priorities reduce time available to proactively manage relationships	PC6, PC11
c	Specialist engagement skills are not consistently embedded in project and operational teams	PC7
d	Turnover in key roles disrupts relationship continuity and trust	PC13, PC14, PC15
C4	Ineffective communication and engagement practices	
a	Engagement approaches are reactive, transactional or compliance driven rather than strategic and relationship focused	PC2, PC8
b	Inconsistent messaging across the organisation leads to confusion, misalignment and reduced stakeholder confidence	PC1, PC5, PC12
c	Feedback from stakeholders is not systematically captured, analysed or used to inform decisions (e.g. no tracking of stakeholders, associated engagement, etc)	PC6, PC11
d	Lack of defined measures or indicators to assess the health and effectiveness of key relationships and partnerships	PC6, PC11



Risk Event: Our management of relationships and partnerships with external stakeholders is ineffective.		
Target Risk Level: Moderate		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Possible	Unlikely
Impact	Moderate	Moderate
Rating	High	Moderate
Worst case plausible scenario (current Risk): Poorly managed external relationships result in reputational damage with senior government and key partners, leading to loss of external funding, reduced partnership value and inability to meet strategic objectives, and long term reluctance of stakeholders to collaborate with Council.		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Loss of external funding and co investment due to poor stakeholder relationships; increased legal and advisory costs from partnership disputes; and reduced financial or in kind value realised from collaborations.	
CO2: Safety	Generally indirect, but could involve safety incidents etc due to poor coordination with third parties.	
CO3: Environment	Generally indirect, but inadequate engagement with regulators, contractors or partners leads could lead to non compliance or failures in environmental controls. Weak collaboration could also lead to failure to meaningfully impact things like climate change.	
CO4: Reputation / Brand Image	Loss of trust with community, partners and government stakeholders, with perceptions of poor transparency and responsiveness; adverse publicity from disputes or failed partnerships; and reduced willingness of external organisations to collaborate with Council.	MC1
CO5: Service Delivery	Poor coordination with key stakeholders results in service interruptions, misaligned priorities or implementation delays.	MC1

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	Council Spokesperson and Communication Authority	Formal spokesperson arrangements designate the Lord Mayor as Council spokesperson and the CEO for administration to ensure consistent, authorised messaging across media, government and external stakeholders, with delegated authority where required.	C1) e C2) a, c C4) b	OCEO		
PC2	Community Engagement Policy and Framework Review	Community consultation activities are conducted in accordance with endorsed community engagement and consultation policies. The community engagement framework is periodically reviewed to assess effectiveness and identify opportunities for continuous improvement in stakeholder engagement.	C1) b, c C3) a C4) a	Associate Director Governance & Strategy		

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
MC1	Media Response	A formal media and communications protocol is in place to ensure timely, accurate and consistent public messaging, including defined approval processes, designated spokespersons, and coordinated stakeholder engagement to protect Council's reputation and maintain stakeholder confidence during incidents.	CO4, CO5	Associate Director Customer & Marketing		

PC3	Public Transparency Policy Implementation	The Public Transparency Policy is implemented to promote openness in Council decision making, information disclosure and stakeholder visibility.	C1) f	Associate Director Governance & Strategy		
PC4	Digital Communications Governance and Media Monitoring	Policies and practices govern website and social media content to ensure information remains accurate, current and aligned with Council decisions, priorities and services, supported by ongoing media monitoring.	C4) b	Associate Director Customer & Marketing		
PC5	Customer Insights Data Integration	Customer and stakeholder insights data is integrated across systems to improve understanding of stakeholder needs, feedback and engagement effectiveness.	C1) a, d C3) b C4) c, d	Associate Director Customer & Marketing		
PC6	Precinct Community Voice Groups	CoA coordinates precinct based community voice groups, which are governed by TOR and minuted, and provide structured mechanisms for Council and Councillors to hear and respond to local community perspectives.	C1) a C3) c	GM AEDA		
PC7	Proactive Community and Stakeholder Communications	Regular online communications are delivered to defined stakeholder groups to support proactive engagement and information sharing.	C1) a C4) a	Associate Director Customer & Marketing		
PC8	Capital City Committee Engagement	The Lord Mayor proactively participates in Capital City Committee meetings to strengthen inter government relationships and identify partnership and funding opportunities.	C1) f C2) a, d	OCEO		
PC9	Stakeholder Escalation and Feedback Pathways	Clear escalation and feedback pathways enable stakeholders to raise issues through Councillors, formal Council processes and service channels, with performance monitored via CEO scorecard measures.	C2) b	Associate Director Governance & Strategy		
PC10	Councillor Requests and Engagement Performance Monitoring	Quarterly monitoring of councillor requests, complaints, customer satisfaction and service interactions is reported through the CEO scorecard using systems such as Freshdesk.	C1) d C2) b C3) b C4) c, d	Associate Director Governance & Strategy		
PC11	Media Training Program	Media training is delivered at least every two years to operational staff and made available to Councillors to support effective and compliant stakeholder communications.	C3) a C4) b	Associate Director Customer & Marketing		
PC12	Election Caretaker Period Stakeholder Management	Processes are in place to manage stakeholder communications and commitments during election caretaker periods, including engagement with incoming Elected Members to support alignment and expectation management.	C2) c C3) d	Associate Director Governance & Strategy		
PC13	Structured Stakeholder Relationship Framework	Documented structures are in place to support proactive management of key stakeholder and inter government relationships, with an opportunity to consolidate information through a central relationship management approach.	C1) b, c, e, f C3) d	Associate Director Governance & Strategy		
PC14	Stakeholder Register and Membership Oversight	A comprehensive stakeholder register and records of membership organisations are maintained to support visibility of key relationships and engagement activities.	C1) a, c, d C3) d	Associate Director Customer & Marketing		

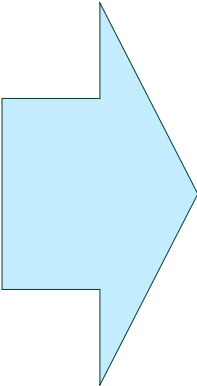
#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Progress the CRM project to define and implement use cases for managing strategic third party relationships, including clear ownership, engagement frequency, contact recording and alerts, governed under an agreed stakeholder management framework.		Associate Director Information Management	30-Jun-29
2	Complete the internal audit on third party relationship management and implement agreed recommendations to strengthen preventive controls and address identified gaps against each underlying cause.		Associate Director Governance & Strategy	31-Mar-27

Risk Owner: Anthony Spartalís, Chief Operating Officer

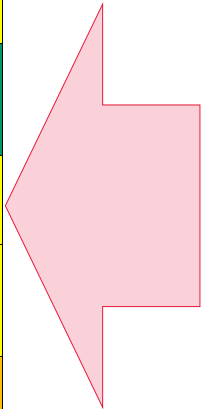
Risk Review Date:

Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Workforce planning is ineffective or not future focused	
a	Council does not have a current, evidence based workforce plan aligned to service demand and strategic priorities	PC9, PC10
b	Future capability and capacity requirements are not clearly defined or monitored (this could include failure to consider disruptors such as AI, and other changes such as transition to EV fleet etc)	PC9, PC10
c	Reliance on reactive recruitment rather than planned workforce supply	PC2, PC3, PC10
d	Limited consideration of labour market constraints and demographic change	PC1, PC4, PC10
e	Lag between identification of future capability needs and recruitment or development action	PC2, PC3, PC10, PC11
C2	Limited Ability to Attract and Retain Critical Skills	
a	Remuneration, conditions, or role design are not competitive for critical skill sets	PC3, PC4
b	Council brand and employee value proposition are not clearly articulated	PC1
c	Recruitment processes are slow, complex, or inflexible	PC3
d	Remuneration and employment conditions not competitive with market (e.g. bound by enterprise agreements/award structures, perception of lower earning potential compared to State or private)	PC3, PC4
e	Ineffective advertising of positions (e.g. method of recruitment, reach of advertising, etc)	PC1, PC3
f	Limited career pathways or development opportunities.	PC2, PC5, PC11
g	Loss of experienced staff without effective knowledge transfer.	PC14
h	Insufficient focus on engagement and retention of high risk or specialist roles and/or high performers.	PC5, PC6, PC7, PC8, PC12
i	Inadequate succession planning.	PC2, PC5, PC9, PC10, PC11
C3	Ineffective work health and safety (WHS) management system that does not adequately address evolving operational and climate related risks	
a	Failure to identify elevated psychosocial risk / to manage these effectively	PC12, PC15
b	WHS management systems do not adequately address operational risks	PC15, PC16
c	Limited integration of climate related health risks (e.g. heat stress, fatigue, dehydration, altered work patterns) into risk assessments, safe work procedures and workforce planning.	PC15
d	Insufficient specialist capability and capacity to interpret and implement evolving WHS and regulatory expectations across diverse operational environments.	PC15, PC16
e	Inconsistent application of WHS systems, controls and supervision across business units, contractors and operational settings.	PC15, PC16
f	Weak assurance, monitoring and continuous improvement mechanisms, limiting early identification of systemic WHS, compliance and climate related safety risks.	PC16
g	Inadequate governance and oversight of third party WHS risks, including inconsistent application of safety requirements and limited monitoring of contractor compliance and capability.	PC19, PC20, PC21
C4	Weak Workforce Culture, Engagement and Industrial Governance	



Risk Event: Our ability to attract and retain sufficient capacity and skills to effectively operate while maintaining work health & safety compliance is inadequate.		
Target Risk Level: Moderate		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Possible	Possible
Impact	Moderate	Moderate
Rating	High	High
Worst case plausible scenario (current Risk): A localised failure in WHS/psychosocial risk management results in a serious preventable workplace incident causing a Lost Time Injury or death, triggering regulatory investigation, increased costs, reputational damage, and temporary service disruption.		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Reliance on contractors, agency staff or overtime to backfill capability gaps, often at a premium cost. Increased WHS incidents arising from workforce fatigue, insufficient supervision, or inadequately trained staff. Fines, prosecutions or legal expenses resulting from WHS non compliance or breaches of duty of care. Inefficient use of capital and operational funding.	MC1, MC4
CO2: Safety	Increased workplace injuries and incident- Insufficient staffing levels, high workloads and fatigue elevate safety risks for frontline and operational staff. Psychosocial harm to employees and Burnout, stress, bullying and fatigue increase due to chronic resourcing shortages and role overload.	MC1
CO3: Environment	Environmental incidents arising from inadequate capability or supervision (e.g. errors in asset maintenance, waste, water or land management caused by skill shortages or inexperienced staff.)	MC3
CO4: Reputation / Brand Image	Loss of community confidence in Council's competence and safety culture & Public perception that Council cannot safely or effectively manage its workforce or services. Negative media and stakeholder scrutiny following WHS incidents Serious incidents or prosecutions attract adverse media attention and reputational damage.	MC2
CO5: Service Delivery	Reduced service capacity and reliability - Vacancies, high turnover and skill gaps lead to service delays, backlogs and reduced service quality. Increased operational risk and error rates - Staff working outside their capability or experience increases the likelihood of mistakes and rework.	MC1, MC3

a	Poor staff engagement and/or lack of a consistently positive organisational culture.	PC5, PC6, PC7, PC8, PC12
b	Council has not fully identified or tracked industrial and employment legislative obligations or established plans to ensure compliance (including payroll configuration).	PC14
c	Key person dependencies in payroll and industrial interpretation, compounded by highly manual processes.	PC14
d	Ineffective industrial engagement, including engagement with unions and employee representatives.	PC13, PC14

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	Employer Branding and EVP Framework	Internal and external employer branding initiatives are in place, underpinned by a clearly articulated Employee Value Proposition (EVP) that is regularly reviewed and communicated, including flexibility and wellbeing, growth and development, and purpose and connection.	C1) d C2) b, e	Associate Director People		
PC2	Graduate and Early Career Talent Programs	A formal Graduate Program has been developed and implemented to support early career talent attraction and development.	C1) c, e C2) f, i	Associate Director People		
PC3	Structured Recruitment and Attraction Process	A structured recruitment process is in place, supported by a new recruitment system, standard advertising channels and defined approval pathways, alongside an Attracting and Retention Operating Guideline that enables flexibility in remuneration and conditions where recruitment challenges exist.	C1) c, e C2) a, c, d, e	Associate Director People		
PC4	Remuneration Benchmarking and Market Scanning	Salary benchmarking and market scanning are undertaken primarily through Enterprise Agreement negotiations, with additional reviews underway for common law and senior roles outside the EA.	C1) d C2) a, d	Associate Director People		
PC5	Performance Management and Remuneration Framework	A structured performance management framework includes annual expectation setting, mid year reviews and system based monitoring through a talent management module, with CEO scorecards tracking compliance and alignment to remuneration discussions.	C2) f, h, i C4) a	Associate Director People		
PC6	Organisational Culture Monitoring	Organisation wide culture and pulse surveys, supported by organisational and program level culture action plans, are overseen through monthly meetings of the Organisational Culture Reference Group involving Executive and SLT.	C2) h C4) a	Associate Director People		
PC7	Recognition and Engagement Practices	Embedded recognition practices are in place to support workforce engagement.	C2) h C4) a	Associate Director People		
PC8	Leadership Accountability for Culture	Leader actions relating to organisational culture are embedded in performance development conversations and leadership KPIs.	C2) h C4) a	Associate Director People		
PC9	Leadership Capability Framework	A Leadership Capability Framework defines required people management and workforce planning competencies, assessed through recruitment processes and ongoing performance reviews.	C1) a, b C2) i	Associate Director People		
PC10	Workforce Planning Framework and Action Plans	A Workforce Planning Framework has been implemented across approximately two thirds of the organisation, supported by program level workforce planning action plans, with remaining areas to be completed and opportunities identified to better integrate workforce and business planning.	C1) a, b, c, d, e, C2) i	Associate Director People		
PC11	Learning and Development Investment	Dedicated learning and development budgets support internal and external capability development opportunities.	C1) e C2) f, i	Associate Director People		
PC12	Wellbeing and Employee Support Programs	A formal Wellbeing Program and Employee Assistance Program (EAP) are in place, supported by quarterly anonymised usage reporting and enhanced psychosocial risk related metrics.	C2) h C3) a C4) a	Associate Director People		
PC13	Employee Consultation	Formal consultation is supported through quarterly Employee Consultative Committee meetings	C4) d	Associate Director People		
PC14	Knowledge Transfer and Offboarding	Structured offboarding and handover processes using system based workflows, and maintenance of professional networks to support knowledge continuity.	C2) g C4) b, c, d	Associate Director People		
PC15	Work Health and Safety Management System (WHSMS)	A documented WHS Management System is implemented, supported by Skytrust and Promapp, providing an integrated framework to identify, assess and manage WHS risks, including physical and psychosocial hazards, high risk work controls, workforce competencies, contractor management and environmental risk considerations.	C3) a, b, c, d, e	Associate Director People		
PC16	WHS Governance, Compliance and Assurance Framework	A WHS governance and assurance framework is in place to monitor compliance, performance and continuous improvement of the WHSMS, including legislative tracking, audits, inspections, incident reporting, executive oversight and corrective action monitoring.	C3) b, d, e, f	Associate Director People		

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
MC1	Injury Management Process	A formal injury management and return to work program is implemented to support employee recovery, ensure legislative compliance, and minimise workforce disruption.	C01, C02, C05	Associate Director People		
MC2	Media Response	A structured media and communications protocol is in place to support timely, consistent messaging regarding workforce matters, protecting Council's reputation and maintaining public confidence.	C04	Associate Director Customer & Marketing		
MC3	Business Continuity Plan	Business continuity arrangements identify critical roles and workforce contingencies to maintain essential services in the event of personnel disruptions.	C03, C05	Associate Director Governance & Strategy		
MC4	Insurance	Appropriate insurance coverage (including workers compensation and liability) is maintained to mitigate financial impacts arising from workforce related incidents and claims.	C01	Associate Director Governance & Strategy		

#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Complete implementation of the Workforce Planning Framework and address the currently limited interface and integration between workforce planning and business planning processes.		Associate Director People	31-Dec-27
2	Introduce recruitment metrics to improve visibility of recruitment effectiveness and efficiency, including measures such as time taken to fill roles, source of hire and applicants per position.		Associate Director People	31-Mar-27
3	Complete a review of the common law contracts remuneration review process to identify further opportunities to improve the rigour of the process.		Associate Director People	31-Jul-27
4	Complete a review of existing employment contract templates to ensure they are contemporary and compliant.		Associate Director People	30-Jun-27
5	Review the adequacy of the current learning and development budget and consider how learning and development opportunities could be communicated and promoted more effectively to employees.		Associate Director People	30-Jun-27
6	Establish a Transition to Retirement program to support workforce sustainability, enhance employee experience, and ensure the retention and transfer of critical skills and organisational knowledge.		Associate Director People	31-Dec-27
7	Implement succession planning for roles identified as 'critical' through workforce planning processes.		Associate Director People	31-Dec-27
8	Explore additional mechanisms through which CoA can retain and develop high-performing and/or high-potential employees.		Associate Director People	31-Dec-27
9	Further enhance retention metrics to include a more detailed turnover data, including turnover by program and an established process for reviewing exit survey data to identify organisational trends.		Associate Director People	31-Dec-26
10	Assess and implement opportunities to incorporate psychosocial risk assessment questions into the organisational culture survey.		Associate Director People	31-Oct-26
11	Develop staff classification and reclassification processes for Wages EA employees to enhance visibility and transparency.		Associate Director People	30-Jun-29

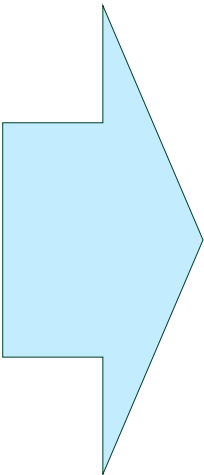
Risk 9: Governance

Risk Owner: Anthony Spartalis, Chief Operating Officer

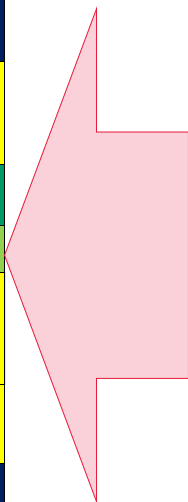
Risk Review Date:

Next Review Date:

#	Causes	Control Coverage Assessment & Comments
C1	Governance Structure & Design Failures	
a	Governance frameworks are not clearly defined, are duplicated documented, or approved/reviewed after major events	PC1, PC9, PC10
b	Key decisions are made outside formal governance processes	PC3, PC9, PC13
c	Poor alignment between enterprise governance and operational governance (Siloed working - lack of consultation between organisational areas leading to duplication)	PC9, PC13, PC14
C2	Roles, Accountability & Ownership Issues	
a	Board, committee, or executive responsibilities are poorly understood	PC1, PC5, PC9
b	Accountability diffused across multiple roles, leading to "everyone and no one owns it"	PC7, PC8, PC9
c	Competing or unclear responsibilities at organisation level (e.g. AEDA/ACMA/KADALTILLA vs ACC)	PC1, PC9, PC14
C3	Decision Making Weaknesses	
a	Key decisions are made outside formal governance processes	PC9, PC13
b	Decisions not supported by appropriate data, risk analysis, or advice	PC3, PC13
c	Decisions are not documented, justified, or traceable	PC3, PC9, PC10
C4	Policies and Operating Guidelines (POG) Compliance Gaps	
a	POG are outdated, inconsistent, or not aligned to legislation	PC4, PC10, PC13, PC15
b	Staff unaware of key governance policies or obligations, including ownership and maintenance requirements (e.g. could be due to lack of training/education)	PC2, PC5, PC6
c	Inconsistent application of policies across the organisation or failure to address breaches	PC3, PC4, PC6, PC15
C5	Information, Reporting & Transparency Failures	
a	Key risks, issues, and incidents are not reported upwards	PC2, PC3, PC13, PC15
b	Lack of transparency in how decisions are made and enforced	PC3, PC9, PC10
c	Governance bodies and/or management receive incomplete, late, or poor quality information (including information sharing between organisations like AEDA/ACMA/KADALTILLA and ACC's Board/Management)	PC3, PC13, PC14
C6	Ineffective management of fraud/maladministration/corruption related risks	
a	Ineffective framework (including training, communication of roles and responsibilities, risk management strategies)	PC2, PC3, PC5
b	Staff do not have adequate pathways and/or empowerment to raise concerns (e.g. whistleblower and escalation mechanisms)	PC2, PC6, PC15
c	Concerns are not investigated and remediated in a timely or effective manner (including public complaints)	PC3, PC4, PC15
C7	Failure to identify and to manage compliance against external obligations	
a	Incomplete identification of applicable laws, regulations, and contractual obligations	PC16
b	Lack of clear ownership and accountability for compliance obligations	PC16
c	Ineffective translation of external requirements into internal policies and controls	PC16
d	Insufficient monitoring and reporting of compliance status to governance bodies	PC16
e	Weak tracking of regulatory changes and updates (horizon scanning)	PC16



Risk Event: Our governance is ineffective, leading to operational inefficiencies, legal liabilities, and reputational damage		
Target Risk Level: Moderate		
Risk Rating Matrix	Inherent Risk	Residual Risk
Likelihood	Possible	Unlikely
Impact	Moderate	Moderate
Rating	High	Moderate
Worst case plausible scenario (current Risk): Council makes decisions without appropriate management consultation or governance processes, resulting in contractual breaches, legal costs, operational inefficiencies, loss of community trust, and/or investigation for maladministration.		



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Increased legal and advisory costs arise from investigations, reviews and governance failures. Financial losses occur due to fraud, corruption, misconduct or non compliance. Council may also lose access to grant funding where governance and strategic alignment are insufficient.	MC1, MC2, MC3
CO2: Safety	N/A	
CO3: Environment	N/A	
CO4: Reputation / Brand Image	Community trust and social licence decline due to perceived governance failures within Council administration and elected members. Governance breakdowns may require changes to leadership or oversight structures to restore confidence. Council may be subject to investigations for maladministration by regulators or oversight bodies, resulting in reputational damage.	MC1, MC2, MC3
CO5: Service Delivery	Ongoing operational inefficiencies occur due to poor governance, unclear accountability, and ineffective decision making, impacting the quality and consistency of service delivery.	MC1, MC3

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
---	--------------------------------------	---------------------	---------------	---------------	---------------	---------------

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
---	--------------------	---------------------	---------------------	---------------	---------------	---------------

PC1	Council Governance Structure Review	The governance structure of Council is reviewed at the commencement of each Council term, with a mid term review undertaken where applicable, to ensure alignment with Council's strategic direction.	C1) a C2) a, c	Associate Director Governance & Strategy		
PC2	Public Interest Disclosure Framework	A Public Interest Disclosure Operating Guideline is in place, supported by training for responsible officers and awareness activities to inform staff of their reporting responsibilities and obligations.	C4) b C5) a C6) a, b	Associate Director Governance & Strategy		
PC3	Third-Line Assurance (Internal Audit)	Internal audit is co sourced, with plans endorsed by SRIA and the Audit & Risk Committee, and audit outcomes reported to both bodies. Actions are monitored through Executive portfolio meetings to support accountability and timely closure. Annual PCI DSS audits are completed, and CEO approval is required for any extensions to internal audit recommendations.	C1) b C3) b, c C4) c C5) a, b, c C6) a, c	Associate Director Governance & Strategy		
PC4	Six Monthly Internal Control Self Assessment	Six monthly internal control self assessments are undertaken via Promapp, including control owner attestations, second line compliance validation, and provision of assurance outputs to External Audit.	C4) a, c C6) c	Associate Director Governance & Strategy		
PC5	Mandatory Good Governance Training	Mandatory Good Governance training is required for all staff, including during onboarding, with completion tracked in Successfactors, refresher training conducted every two years, and non completion actively followed up.	C2) a C4) b C6) a	Associate Director Governance & Strategy		
PC6	Behavioural Standards for Conduct (Employees and Elected Members)	Documented standards of conduct apply to employees and elected members, with staff required to formally acknowledge the standards and elected members completing mandatory training upon election and mid term.	C4) b, c C6) b	Associate Director Governance & Strategy / Associate Director People		
PC7	Legislative Delegations and Authorised Officers Framework	A formal legislative delegations instrument, authorised officers register, onboarding and approval process (Director and CEO sign off), and revocation process are maintained.	C2) b	Associate Director Governance & Strategy		
PC8	Operational Delegations of Authority	Operational and financial delegations are defined and maintained for procurement, payments, contract execution and people related decisions, including new appointments and reclassifications. Refer Risk 1, PC13 for financial delegations.	C2) b	Associate Director Finance & Procurement		
PC9	Governance Committees and Executive Structures	Council committees and executive governance structures are formally defined, including membership, terms of reference and minute keeping arrangements.	C1) a, b, c C2) a, b, c C3) a, c C5) b	Associate Director Governance & Strategy		
PC10	Policy and Document Control Framework	A policy framework is in place, including document structure standards, central document repository, ownership and review tracking, version control, and defined approval and change management processes (goes through Executive and Council if a policy)	C1) a C3) c C4) a C5) b	Associate Director Governance & Strategy		
PC11	Conflict of Interest Framework	A documented conflict of interest framework is in place to manage identification, declaration and management of actual, perceived and potential conflicts.		Associate Director Governance & Strategy		
PC12	Gifts and Benefits Framework	A gifts and benefits process is in place to manage declaration, approval and recording requirements.		Associate Director Governance & Strategy		
PC13	Executive Management Governance Forums	Regular executive management working group meetings are held to support coordination, oversight and decision making.	C1) b, c C3) a, b C5) a, c	OCEO		
PC14	Subsidiary and Related Entity Information Sharing Protocols	Formal information sharing and governance protocols are in place between Council and related entities (including ACMA, AEDA and Kadaltilla), supported by regular performance reporting to Council. These arrangements include oversight of subsidiary strategy setting and alignment with Council's strategic priorities, as well as integration with budgeting and financial planning processes.	C1) c C2) c C5) c	Associate Director Governance & Strategy		
PC15	Internal complaints and grievance process	A formal complaints and grievance process including procedures under Section 270 of the Local Government Act, to ensure allegations involving staff, the CEO and Council members are appropriately reported, assessed, investigated and resolved in accordance with legislative requirements and governance standards.	C4) c C5) a C6) b, c	Associate Director Governance & Strategy		
PC16	Legislative Assurance Program	A formal legislative assurance program is implemented to identify, monitor and assess compliance with applicable laws and regulations, including periodic reviews, reporting and escalation of compliance risks to support effective governance and minimise legal and reputational exposure.	C4) a C7) a, b, c, d, e	Associate Director Governance & Strategy		
PC17	Formal Complaints Management Process	A formal complaints management process (including s270) receives, tracks and reviews community complaints through centralised channels, with prioritisation applied to higher risk issues.	C3) a C4) a, b	Associate Director Governance & Strategy		

#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Report the outcomes of six monthly Control Self Assessments to SRIA on a six monthly basis. Following completion of the risk assessment IA, CSA program will be revisited.		Associate Director Governance & Strategy	30-Jun-27
2	Ensure staff are formally notified of new delegations of authority and required to acknowledge and sign off on their delegations through RelianSys.		Associate Director Governance & Strategy	31-Dec-26
3	Review the Authorised Officers Register and associated compliance processes to confirm all listed officers are current employees.		Associate Director Governance & Strategy	31-Dec-26
4	Establish and maintain a register of Council staff and Elected Member representation across working groups and governance forums, including evidence that representatives have acknowledged their roles and responsibilities.		Associate Director Governance & Strategy / Associate Director People	30-Jun-27
5	In FY27 council will undertake a compliance management system maturity review which will consider improvements to be made to council's compliance management system		Associate Director Governance & Strategy	30-Sep-27

MC1	Escalation protocols	Formal escalation pathways are established, including whistleblower mechanisms, Ombudsman referral processes, and incident investigation procedures, to ensure behavioural breaches and governance concerns are promptly reported, assessed, and escalated for independent review and appropriate action.	C01, C04, C05	Associate Director Governance & Strategy		
MC2	Legal Recourse	Access to legal counsel and defined legal processes enable the organisation to respond to allegations, manage regulatory investigations, and pursue or defend legal action to mitigate financial and compliance impacts.	C01, C04	Associate Director Governance & Strategy		
MC3	Disciplinary action	A formal disciplinary framework is applied to address misconduct, breaches of policy, and non compliance, ensuring consistent investigation, decision making, and enforcement of consequences in line with governance standards.	C01, C04, C05	Associate Director Governance & Strategy / Associate Director People		

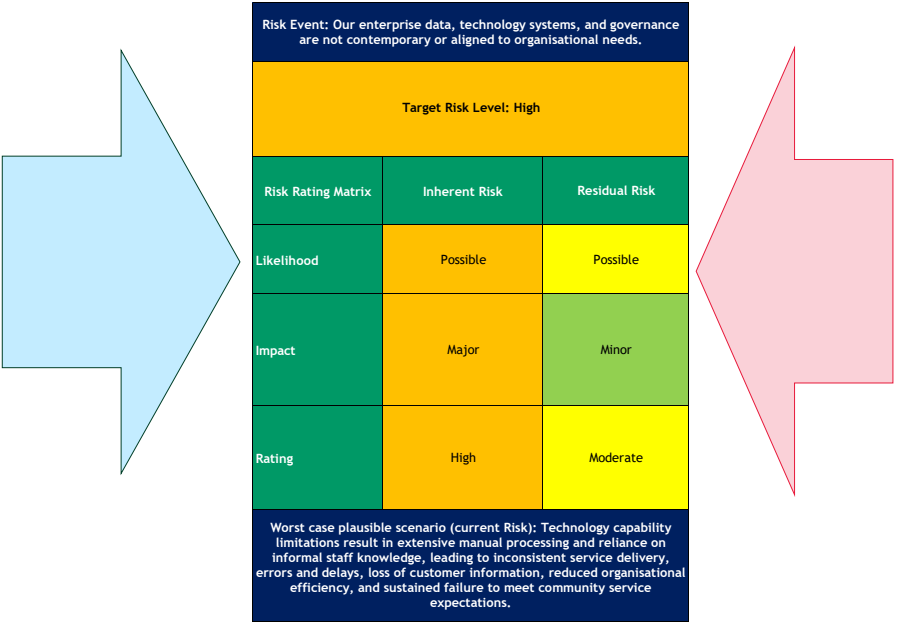
Risk 10: Digital Capability

Risk Owner: Anthony Spartalís, Chief Operating Officer

Risk Review Date:

Next Review Date:

#	Causes	Control Coverage Assessment & Comments
C1	Digital and data strategy is unclear or misaligned	
a	Council does not have a clearly articulated, current whole of Council digital and data strategy aligned to the Strategic Plan, LTFP and service priorities	PC1, PC3, PC4
b	Technology enablement is not consistently embedded into service planning, policy development, or program design	PC1, PC3, PC4
c	ICT investment decisions are reactive and project driven rather than guided by an agreed enterprise roadmap	PC1, PC4, PC9
d	Changes in Council priorities and service models are not translated into defined technology capability requirements	PC1, PC3, PC4
C2	Core systems are outdated, fragmented, or inflexible	
a	Core Council systems are ageing, fragmented, or no longer fit for purpose	PC3, PC4, PC6
b	Multiple systems support similar functions, resulting in duplication and inefficiency	PC3, PC4, PC6
c	Limited system integration drives manual processes, spreadsheets, and workarounds	PC3
d	Existing platforms lack flexibility or scalability to support evolving service and regulatory needs	PC3, PC4, PC6
C3	Enterprise data is poorly governed and unreliable	
a	Council lacks clear ownership and accountability for key enterprise data domains	PC7, PC8
b	Inconsistent data definitions, standards, and quality across business areas	PC7, PC8
c	Council does not fully understand its most critical data and where this resides (e.g. personal information), and this is not appropriately managed. This could include providing third parties access to data without appropriate oversight/governance.	PC2, PC7, PC8
d	Data platforms do not adequately support analytics, performance reporting, or evidence based decision making	PC3, PC7, PC8
C4	Council lacks sufficient digital capability and capacity (including use of AI)	
a	Limited internal capability to govern and manage modern digital and data environments	PC1, PC3, PC7, PC8
b	Over reliance on vendors and contractors without sufficient internal knowledge retention	PC1, PC5
c	Poor technology project management/capability	PC5
d	Insufficient change management and training to support effective adoption of new systems	PC5
e	Lack of training/awareness/guidance to optimise use of existing systems	PC7
C5	Technology investment and lifecycle management is ineffective	
a	Technology investment decisions are constrained by short term budget pressures rather than lifecycle value	PC1, PC4, PC6, PC9
b	Limited visibility of total technology spend and system lifecycles across Council	PC6, PC9
c	Benefits realisation from technology initiatives is not clearly defined or monitored	PC1, PC5



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Increased operating and capital costs arising from inefficient, legacy or poorly integrated systems; duplication of technology investments and rework due to lack of strategic alignment; reduced return on technology investment and increased reliance on manual workarounds or external support.	MC1
CO2: Safety	N/A - indirect	
CO3: Environment	N/A - indirect, but could be relevant for environmental related systems	
CO4: Reputation / Brand Image	Loss of confidence from the community, regulators and partners due to system outages, data issues or poor digital service experience; negative perception that Council is inefficient, outdated or unable to protect information; adverse audit or review findings relating to technology governance.	
CO5: Service Delivery	Interruption to services and reduced productivity due to system outages, data quality issues or lack of integration; reliance on manual processes leading to delays, errors and inconsistent service outcomes; inability to support modern service delivery models or strategic initiatives due to technology constraints.	MC1

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
---	--------------------------------------	---------------------	---------------	---------------	---------------	---------------

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
---	--------------------	---------------------	---------------------	---------------	---------------	---------------

PC1	Business Systems Committee Meetings	Every 2 months hold ongoing Business Systems Committee that oversee the investment in business systems.	C1) a, b, c, d C4) a, b C5) a, c	Associate Director Information Management		
PC2	Privacy Policy	A Council approved Privacy Policy is implemented and applied across all operations, including AI usage, UPark, CCTV and electoral processes, requiring that personal and sensitive information is collected, used, stored and disclosed in accordance with defined standards and legislative requirements.	C3) c	Associate Director Governance & Strategy		
PC3	Digital Enterprise Architecture Framework	A defined digital enterprise architecture is maintained to guide the design, integration, and alignment of business systems.	C1) a, b, d C2) a, b, c, d C3) d C4) a	Associate Director Information Management		
PC4	Business Systems Roadmap	A rolling three year Business Systems Roadmap is maintained to guide future system investment, replacement, and prioritisation across 32 identified business systems.	C1) a, b, c, d C2) a, b, d C5) a	Associate Director Information Management		
PC5	Technology Project Management (inc. Procurement)	Technology projects are governed through a formal project management framework, requiring review and endorsement by the Business Systems group in accordance with the delegations framework.	C4) b, c, d C5) c	Associate Director Information Management		
PC6	Technology Asset Register	A Technology Asset Register is maintained that records business systems, licensing terms, and known replacement requirements.	C2) a, b, d C5) a, b	Associate Director Information Management		
PC7	Data Management Operating Guidelines	Data management activities are guided by a documented Data Management Operating Guideline, which has been recently updated.	C3) a, b, c, d C4) a, e	Associate Director Information Management		
PC8	Data Governance Framework Assessment and Action Tracking	A data governance assessment aligned to the LGITSA framework has been conducted 4 years ago, with identified actions tracked through to completion.	C3) a, b, c, d C4) a	Associate Director Information Management		
PC9	Centralised Technology Spend Monitoring	Technology spend, including licensing costs, is centrally monitored by the Business Systems team.	C1) c C5) a, b	Associate Director Information Management		

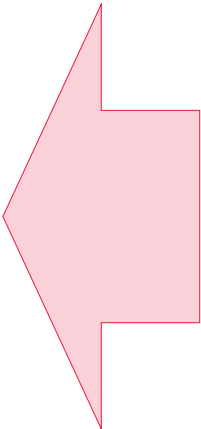
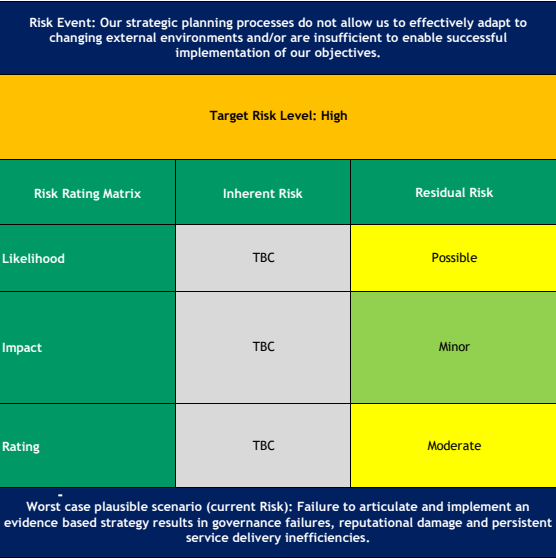
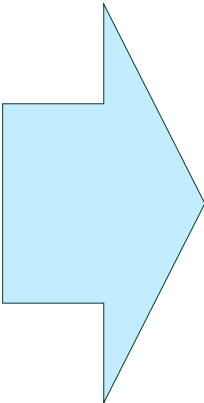
#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Deliver data protection education and awareness sessions to uplift workforce understanding of data handling and privacy obligations.		Associate Director Governance & Strategy	31-Dec-27
2	Implement SOAR (Security Orchestration, Automation and Response) technologies to improve threat detection, response, and mitigation capability.		Associate Director Information Management	30-Jun-29
3	Report to executive and senior leadership on enterprise systems roadmap, including progress reporting and confirmation of architecture principles.		Associate Director Information Management	30-Sep-26
4	In FY26, there is an internal audit being undertaken on PMO processes. In FY27, there is a further internal audit that will be focussed on the Success Factors implementation and this will also assess technology project management capability.		Associate Director Governance & Strategy	30-Sep-27
5	Benchmark technology investment levels against broader industry standards to assess adequacy of the current ICT budget (currently <1% of current budget).		Associate Director Information Management	30-Jun-27

MC1	Disaster Recovery Plan	Ensure that Council maintains a current Disaster Recovery Plan	C01, C05	Associate Director Information Management		
-----	------------------------	--	----------	--	--	--

Risk 11: Strategy Definition & Implementation

Risk Owner: Michael Sedgman - CEO Office
Risk Review Date:
Next Review Date:

#	Causes	Relevant controls / Adequate coverage
C1	Inadequate Strategic Planning & Adaptability	
a	Strategic planning processes are not guided/supported by a longer-term vision	PC1, PC3
b	Environmental scanning (e.g. insights from other Councils, global challenges, etc) does not systematically inform strategic decision making.	PC1, PC4
c	Strategic assumptions and public input is not regularly reviewed or challenged.	PC5, PC12
d	The suite of core plans (Strategic Plan, Asset Management Plans, Long Term Financial Plan, City/Spatial Plan) are not clearly integrated or aligned.	PC4, PC5, PC6
e	Lack of clarity around what constitutes a 'strategy / plan' and how these are to be circulated, and governed and approved	PC4, PC8
f	Strategic targets may be unclear, inconsistent, or insufficiently defined.	PC4, PC10
C2	Inadequate Strategy Governance, Execution & Resource Alignment	
a	Strategic ownership, accountability and decision rights are unclear across the organisation, leading to duplication of effort or gaps in delivery.	PC7, PC10
b	Strategic objectives are not consistently translated into clear, prioritised and actionable initiatives.	PC4, PC9
c	Business planning, budgeting and resource allocation are not consistently aligned to strategic priorities.	PC5, CP6
d	Governance and decision making forums do not enable timely strategic adjustment, course correction or reprioritisation.	PC5, PC8
e	Decision making prioritises short term operational pressures over longer term strategic intent.	PC8, PC10
f	There is limited structure, discipline or tracking of strategic delivery (e.g. inconsistent use of PMO type oversight).	PC9
g	Strategic performance monitoring, reporting and feedback do not drive timely corrective action or inform ongoing strategic refinement.	PC8, PC10
C3	Culture, Capability & Insight Limitations	
a	Organisational capability, capacity and resourcing do not adequately support effective strategic delivery.	PC7, PC11
b	Strategic planning, implementation and performance management skills and experience are inconsistent across the organisation.	PC10, PC11
c	Data, insights and performance information required to support strategic decisions are incomplete, delayed or not readily accessible.	PC9, PC10



#	Consequences	Relevant controls / Adequate coverage
CO1: Financial Consequences	Increased legal and advisory costs arising from governance failures, alongside financial losses from poor decision making, control breakdowns or non compliance. Reduced access to external funding due to weak strategic alignment, governance maturity and delivery credibility.	MC1, MC2
CO2: Safety	There is no direct safety consequence arising from ineffective strategic planning and governance.	N/A
CO3: Environment	N/A indirect only	N/A
CO4: Reputation / Brand Image	Loss of community trust in Council administration and elected members Perceived lack of direction, accountability or transparency undermines public confidence and social licence. Reputational damage requiring governance or leadership intervention Including changes to senior management, governance structures, or external oversight to restore credibility.	MC1, MC2
CO5: Service Delivery	Increased legal and advisory costs arising from governance failures, alongside financial losses from poor decision making, control breakdowns or non compliance. Reduced access to external funding due to weak strategic alignment, governance maturity and delivery credibility.	MC2

#	Preventative Control Name (In Place)	Control description	Cause mapping	Control Owner	Effectiveness	Key / Not key
PC1	CCCLM National Meetings	Quarterly Capital City Committee of Lord Mayors (CCCLM) meetings involving all Lord Mayors and CEOs across Australia, with an annual general meeting.	C1) a, b	OCEO		
PC2	City Deal Partnership Program	A City Deal agreement between the Australian Government, State Government and Council governing the delivery of agreed programs and outcomes, including associated funding arrangements.	C2) c	OCEO		
PC3	Strategic Planning Framework and Election Cycle Alignment	A legislated requirement for an incoming Council to adopt a Strategic Plan within two years of an election, with an internal process and aspiration to complete strategic planning within one year of election, informed by longer term visioning.	C1) a	Associate Director Governance & Strategy		
PC4	Subsidiary Planning Governance - Strategy Definition	Documented minimum requirements for all subsidiary strategies, including environmental scanning, alignment to the Strategic Plan and vision, consideration of implementation costs, defined measurable outcomes, and formal Council endorsement.	C1) b, d, e, f C2) b	Associate Director Governance & Strategy		
PC5	Annual Business Planning, Budget and Rating Review Process	Quarterly review of the Annual Business Plan and Budget, supported by rolling multi year financial forecasts, to ensure funding decisions remain aligned to strategic objectives and legislative requirements. The process includes periodic review of the Rating System to confirm revenue assumptions remain appropriate and sustainable.	C1) c, d C2) c, d	Associate Director Finance & Procurement		Linked to Financial

#	Mitigating control	Control description	Consequence mapping	Control Owner	Effectiveness	Key / Not key
MC1	Legislative Strategic Plan Revision	Legislative provisions enable Council to revise the Strategic Plan where required under the Act.	CO4	Associate Director Governance & Strategy		
MC2	Out of Cycle Strategic and Financial Updates	Strategic objectives and the Strategic Plan can be updated outside the quarterly Business Plan and Budget cycle, supported by updates to Asset Management Plans and the annual review of the Long Term Financial Plan.	CO1, CO4, CO5	Associate Director Governance & Strategy		

PC6	Strategic Asset Management Plans	Strategic Asset Management Plans are maintained and reviewed on a four year cycle with annual updates and public consultation, ensuring alignment to the Strategic Plan. Plans incorporate lifecycle forecasting, integrated planning, asset upgrade opportunities, long term cost projections, and data driven analysis to inform investment decisions.	C1) d C2) c	Associate Director Infrastructure		Linked to Assets
PC7	Portfolio Based Organisational Structure and Accountability	A portfolio based organisational structure with executive level accountability for Strategic Plan themes, defined action owners linked to subsidiary plans, shared responsibility where applicable, and formal organisational consultation for structural changes.	C2) a C3) a	Associate Director Governance & Strategy		
PC8	Strategic Governance and Reporting Framework	Formal strategic governance and reporting through Council (primary forum), Audit & Risk Committee (secondary forum), and SRIA (administrative forum), including Annual Report adoption, quarterly Business Plan and Budget reviews, and oversight by subsidiary governance bodies (Council Assessment Panel, Cadatilla, Reconciliation Committee, ACMA, AEDA).	C1) e C2) d, e, g	Associate Director Governance & Strategy		
PC9	Strategy Planning and Engagement Team oversight over implementation of strategic plan	A central Strategy Planning and Engagement Team is responsible for tracking delivery of Strategic Plan and subsidiary strategy actions.	C2) f C3) c	Associate Director Governance & Strategy		
PC10	Executive, CEO and Organisational Performance Accountability	CEO performance reviews conducted through a quarterly Performance Review Panel with quarterly updates to Council Members, supported by Executive and Corporate Scorecards aligned to CEO performance targets and cascaded KPIs to Executive Directors, Directors, Associate Directors and Managers (Level 4).	C1) f C2) a, e, g C3) b	OCOO		
PC11	Community Engagement Charter and Policy	The Community Engagement Charter (City of Adelaide) and Community Engagement Policy governing community participation in Council decision making.	C1) c	Associate Director Governance & Strategy		

#	Treatments / Actions	Control link (if applicable)	Action owner	Target date
1	Apply the legislatively mandated Community Engagement Charter and deploy the internally developed Community Engagement Toolkit as a core mechanism for future visioning and strategic planning engagement.		Associate Director Governance & Strategy	31-Dec-26
2	Commence a long term visioning process in early 2027 following the November 2026 Council election to engage the community and inform development of the next Strategic Plan, incorporating environmental scanning.		Associate Director Governance & Strategy	31-Dec-27
3	Redefine and standardise strategic planning terminology, including the planning process, strategic pillars, plan tiers and existing plans, to ensure consistent understanding and alignment across Council.		Associate Director Governance & Strategy	30-Jun-28
4	Consider outputs of Internal Audit into Strategic Planning Governance and Organisational Reporting (actions out of this IA, may supersede actions outlined above)		Associate Director Governance & Strategy	31-Dec-26

Presiding Member's Annual Report

Strategic Alignment - Our Corporation

Public

Friday, 14 August 2026

Audit and Risk Committee

Program Contact:

Rebecca Hayes, Associate

Director Governance & Strategy

Approving Officer:

Anthony Spartalis, Chief

Operating Officer

EXECUTIVE SUMMARY

The Presiding Member's Annual Report summarises the activities of the Audit and Risk Committee during the 2025/26 financial year.

Pursuant to section 126(9) of the *Local Government Act 1999* (SA), the Presiding Member's Annual Report will be included in the City of Adelaide's Annual Report 2025/26.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the Presiding Member's Annual Report for the 2025/26 financial year as contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 14 August 2026.
 2. Notes that the Presiding Member's Annual Report for 2025/26 financial year as contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 14 August 2026 will be included in the City of Adelaide's Annual Report as per section 126 (9) of the *Local Government Act 1999* (SA).
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation The Audit and Risk Committee function is to support and enable effective governance, risk management, accountability and transparency at all times in decision making. It also enables bold capital city leadership and robust governance with the community at the heart of decision making.
Policy	Pursuant to the Audit and Risk Committee Terms of Reference, the Presiding Member shall report annually to the Audit and Risk Committee and Council summarising the activities of the Committee during the previous financial year.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	<i>Local Government Act 1999 (SA)</i>
Opportunities	Open, transparent and informed decision making.
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

1. Pursuant to the Audit and Risk Committee Terms of Reference, the Presiding Member shall report annually to the Audit and Risk Committee and Council summarising the activities of the Committee during the previous financial year (Attachment A).
2. During the 2025/26 financial year, the Audit and Risk Committee held 7 ordinary and 2 special meetings.
3. During the 2025/26 financial year three independent members resigned from the Audit and Risk Committee:
 - 3.1. Simon Rogers on 25 September 2025
 - 3.2. Matthew Fletcher on 20 May 2026
 - 3.3. Nicolle Rantanen Reynolds (Presiding Member) on 22 May 2026Mark Davies was appointed to the position of Presiding Member by Council on 28 July 2026.
4. A comprehensive breakdown of substantive items dealt with by the Audit and Risk Committee during the 2025/26 financial year is provided in Attachment A to this report.
5. Section 126 (9) of the *Local Government Act 1999* (SA) states: A council must ensure that the annual report of its Audit and Risk Committee is included in its annual report.
6. A copy of Attachment A will be included in the City of Adelaide's Annual Report.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Presiding Member's Annual Report for the 2025/26 financial year

- END OF REPORT -

Audit and Risk Committee

Presiding Member's Annual Report

I am pleased to present the Presiding Member Report for the City of Adelaide Audit and Risk Committee for the year ended 30 June 2026.

Meetings and attendance

The Audit and Risk Committee met 9 times for the 2025/26 year with meeting attendance as follows:

Name	Details	Meetings held	Meetings attended
Nicolle Rantanen Reynolds	Presiding Member Until 22 May 2026	9	8
Mark Davies	Independent Member	9	8
Simon Rodger	Independent Member Until 25 September 2025	2	2
The Lord Mayor Dr Jane Lomax-Smith	Ex-officio	9	5
Councillor Janet Giles	Council Representative	9	3
John Jovicevic	Independent Representative From 1 October 2025	7	7
Matthew Fletcher	Independent Representative From 1 October 2025 Until 20 May 2026	6	4
Councillor Phillip Martin	Proxy	9	4
* Proxy attendance only required in the absence of the Lord Mayor or Council Representative			

Substantive issues

The substantive issues that were dealt with during the year were:

- Confidential - Paid Parking Review
- Presiding Member's Annual Report
- Privacy Policy Review
- Confidential - Provision of External Audit Services - Procurement Plan
- Confidential Meeting with External Auditors
- Matters arising from External Audit
- City of Adelaide Draft 2024/25 Annual Report
- Integrated Climate Strategy Annual Report 2024/25
- Emergency Management Plan
- Shortlist of External Audit Proponents
- Non-Current Asset Accounting Operating Guideline Review
- Audit and Risk Committee Meeting Dates
- 2026 Audit and Risk Committee Work Plan
- Unsolicited Proposals Policy and Guideline
- Audit and Risk Committee Self-Assessment Results
- Annual Terms of Reference Review
- Interim Report on the 2025/26 External Audit
- Confidential Interim Report on the 2025/26 External Audit
- 2025/2026 Long Term Financial Plan (LTFP) Roadmap
- 2026 Election Legislative Reforms
- Draft 2026/27 Business Plan and Budget – Update
- 2026/27 Long Term Financial Plan (LTFP) Roadmap

Internal audit program

A review of the progress of the internal audit program, detailed internal audit reports and implementation of the recommendations on a regular basis:

- Confidential - Penetration Testing Internal Audit - CyberCX
- Legislative Compliance Review Internal Audit
- Council Administration Expenses Internal Audit
- Record Keeping Internal Audit
- Activity of Strategic Risk and Internal Audit Group
- Proposed Strategic Risks and Internal Audit Plan
- Confidential Meeting with Internal Auditors
- Internal Audit Progress Reports (3)
- Activity of Strategic Risk and Internal Audit Group Reports (3)

- Internal Audit Scope Reports (3)
- Internal Audit Report - Payment Card Industry (PCI) Compliance Review and Penetration Testing Internal Audit

Workshops

The Audit and Risk Committee received four workshops during the year:

- 2025/2026 Long Term Financial Plan (LTFP) Roadmap
- 2026 Election Legislative Reforms
- Draft 2026/27 Business Plan and Budget – Update
- 2026/27 Long Term Financial Plan (LTFP) Roadmap

Financial Management

The Audit and Risk Committee has worked closely with the Administration in the area of Financial Management including the following:

- Q4 2024/25 BP&B Update
- Audited Financial Statements & Report on Financial Results
- 2025/26 Long Term Financial Plan Update - Draft for Public Consultation
- Q1 BP&B Progress Report
- 2026/27 BP&B – priorities, parameters, assumptions and current position
- 2025/26 Business Plan & Budget Q2 Review
- 2025-26 End of Year Financial Reporting Process & External Timetable
- Draft 2026/27 Business Plan & Budget
- 2025/26 Business Plan & Budget Q3 update

Confidentiality

The Audit and Risk Committee considered 15 matters in confidence and applied 15 confidential orders. I am satisfied that these were an appropriate use of the provisions of Section 90 and 91 of the *Local Government Act 1999* (SA).

I would like to express my appreciation to the members of the Audit and Risk Committee for their participation, and to management and staff of the Council for their assistance and clarifications where required.

Mark Davies

Presiding Member

Date: 14 August 2026

Exclusion of the Public

Program Contact:

Anthony Spartalis, Chief
Operating Officer

Approving Officer:

Michael Sedgman, Chief
Executive Officer

Public

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

11.1 Activity of Strategic Risk and Internal Audit Group [section 90(3) (i) of the Act]

The Order to Exclude for Items 11.1:

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (i) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 14 August 2026 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed on the Agenda.

Grounds and Basis

This Item is confidential in nature because the report includes information on Council litigation.

The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 14 August 2026 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (i) of the Act.

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999 (SA)* (the Act) directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.
3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -
 - (a) *cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*
 - (b) *cause a loss of confidence in the council or council committee; or*
 - (c) *involve discussion of a matter that is controversial within the council area; or*
 - (d) *make the council susceptible to adverse criticism.*
5. Section 90(7) of the Act requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
 - 5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following reports are submitted seeking consideration in confidence.
 - 6.1 Information contained in Items;
 - 11.1 Activity of Strategic Risk and Internal Audit Group
 - 6.1.1 Is not subject to an existing Confidentiality Order dated.
 - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (e) of the Act
 - (i) *matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person.*

ATTACHMENTS

Nil

- END OF REPORT -

Document is Restricted