



Strategic Review of Climate Change Risk Adaptation Action Plan

Internal Audit Report

City of Adelaide

January 2024



Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

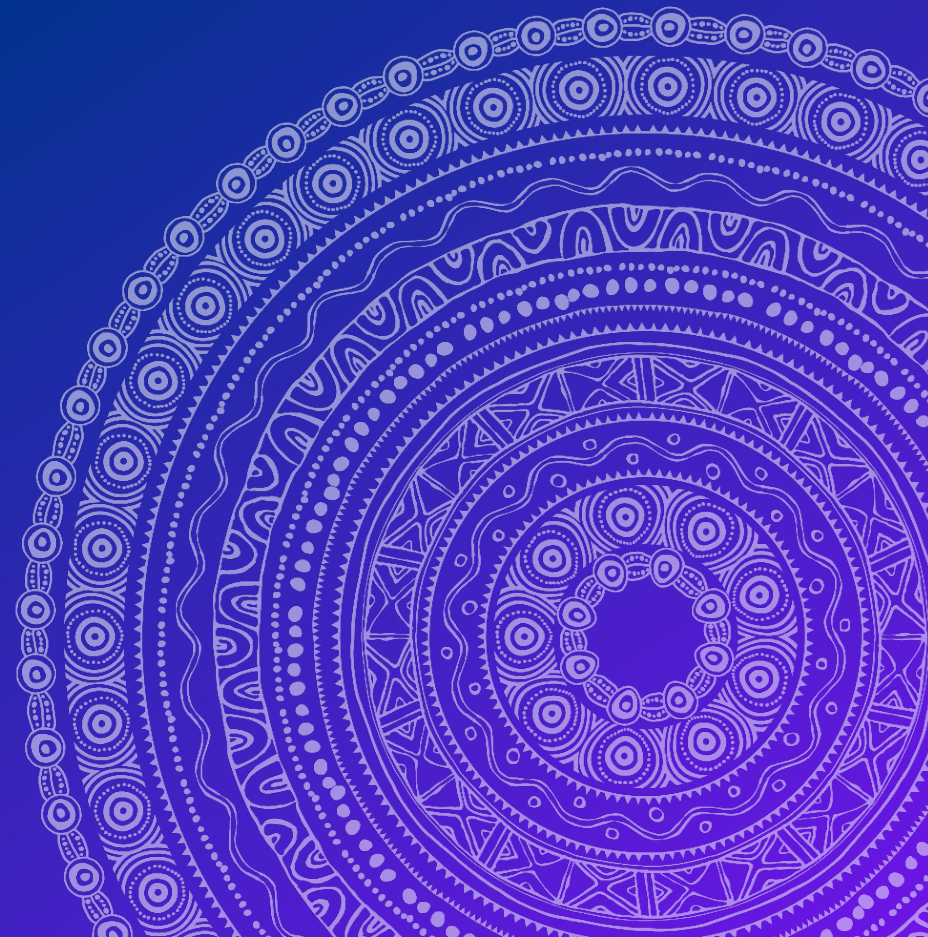
At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

Guided by our purpose to 'Inspire Confidence. Empower Change', we are committed to placing truth-telling, self-determination and cultural safety at the centre of our approach. Driven by our commitment to achieving this, KPMG has implemented mandatory cultural awareness training for all staff as well as our Indigenous Peoples Policy. This sincere and sustained commitment has led to our 2021-2025 Reconciliation Action Plan being acknowledged by Reconciliation Australia as 'Elevate' – our third RAP to receive this highest level of recognition. We continually push ourselves to be more courageous in our actions particularly in advocating for the Uluru Statement from the Heart.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

*This acknowledgement of country has been developed within KPMG Indigenous Network (KIN) should you wish to modify the wording please reach out for consultation of the KIN. The KIN is a culturally safe and supportive space for Aboriginal and Torres Strait Islander colleagues from all geographies, divisions, and levels of the firm and you can get in touch by emailing snoates@kpmg.com.au



Contents

01	Executive Summary	4
02	Background	5
03	Detailed Findings	8
04	Review of Completed Actions	19
05	Other Appendices	26

Executive Summary

In accordance with the 2023 Internal Audit Plan for the City of Adelaide (CoA), an internal audit focussing on the integration of relevant actions included within the Climate Change Risk Adaptation Action Plan within relevant CoA systems and the review of their status was performed. The objective, scope and approach for this project are outlined below.

Objective

The overall objectives of the internal audit were to:

- Assess the integration of completed actions within the CoA’s governance, finance, procurement, asset management and project management systems.
- Confirm the status of the completed actions included within the Climate Change Risk Adaptation (the Action Plan).

Scope

The scope of this review considered the following areas:

- Understanding the integration of the Action Plan within the CoA’s governance, procurement, asset management and project management systems.
- The development, prioritisation and funding of included actions, including the alignment to the CoA’s Long-term Financial Plan.
- Development of the target dates for completion of actions, including consideration of available funding and resources and interdependence of actions.
- Adequacy of monitoring and reporting processes to provide oversight.

Internal Audit Approach





The internal audit was performed using the following approach:

- Workshops and consultations with relevant stakeholders to understand the integration of completed actions within key CoA systems, monitoring and reporting processes and consideration of actions into financial planning processes.
- Desktop review of relevant documentation for completed actions, to validate they have been correctly updated as completed, and on a sample basis, performed a high-level check of the status for in-progress actions.
- Close-out meeting with the internal audit project sponsor and key stakeholders to discuss initial findings and recommendations.

- Finalisation of an internal audit report outlining findings, recommendations and any performance improvement opportunities.

Positive Observations

The CoA has taken a number of steps to address challenges the Council is facing due to climate change. Our review identified the following positive observations:

-  The development of the Action Plan included a significant amount of initial stakeholder consultation resulting in a strong foundation, and to date, a large amount of work has been completed helping to build the future resilience of the CoA, its operations and the broader city community.
-  Sponsorship of the climate change agenda from an Executive level was evident, including addressing climate and environmental risks at an operational level to support the health and wellbeing of CoA’s staff, environment, and community members.
-  The CoA is taking a proactive stance in addressing significant climate risks facing the Council and the community, including the conduct of this review.
-  Multiple initiatives have been conducted to reduce the impact of extreme heat on the outdoor workforce.

Key Findings and Recommendations

Overall, whilst recognising a number of initiatives have been completed to continue to build climate change resilience across the CoA, further improvements to the governance of the Action Plan are required. Specifically, our review noted the following key themes and issues:

- The reported status of some actions within the Action Plan are inaccurate, in part due to a lack of quality assurance over completed actions and gaps in monitoring and reporting of the Action Plan.
- Greater communication of the purpose and intent of the Action Plan is required, to further embed a culture of sustainability at the CoA.
- Further work is required to support the implementation of the Action Plan, including prioritisation of actions with a clear linkage to the long-term financial plan.

Findings identified during the course of this internal audit are shown in the table below. A full list of the findings identified, and the recommendations made are included in this report.

Critical	High	Moderate	Low	PIO
-	2	4	-	-

Background

Context

There is an increasing expectation on organisations in the private and public sectors to proactively manage climate change risks. Local Government plays a key role in helping address the economic and social climate change impacts by reducing disruptions to public services, protecting government assets, and supporting community adaptation.

Local Government is also a unique driver of sustainability outcomes. In addition to being a major provider of services, Local Government can also raise levels of ambition, encourage action through regulatory change, and seed new initiatives as a market maker. Local Government organisations are also significant employers, asset owners and operators, and environmental and cultural stewards.

Many councils are working towards 100% renewable energy goals and zero emissions targets. There has also been a significant focus across the sector on investing time, effort and capability into obtaining a further understanding of climate related risks and developing climate change adaption and mitigation plans.

State, Territory, and Local Governments in Australia are expected to play a key role in leading the transition required. The governments of New South Wales, Victoria, Queensland, South Australia, Tasmania, and the Australian Capital Territory each have 2050 net zero emissions targets. Local Governments and their communities are also leading the way on climate action.

In May 2022, South Australia declared a climate emergency and made a commitment to achieving net zero emissions. In alignment with this, the Department for Environment and Water has developed the **South Australia - Responding to Climate Change** document with priority actions for State Government. Key priorities outlined in this document include:

1. Reducing net greenhouse gas emissions by more than 50% by 2030.

2. Achieving net zero emissions by 2050.

3. Achieve 100% renewable energy generation by 2030.

4. Seeking to achieve net zero emissions from government operations.

Climate Change Risk Landscape

Responding to potential risks resulting from climate change is an emerging area of risk management for many organisations.

To address growing climate risks, the CoA undertook a significant body of work in developing the Climate Change Risk Adaptation Action Plan, endorsed by Council in 2021. Prior to this, the Climate Change Risk Assessment Report was developed in June 2020. However, climate risks continue to evolve. On 3 July 2023, the US National Centers for Environmental Prediction recorded the hottest average global temperature at 17.01 degrees Celsius, beaten one day later at 17.18 degrees Celsius. This was exceeded again two days later at 17.23 degrees Celsius on 6 July 2023.

In 2022, the Department for Environment and Water released updated climate change projections for South Australia. These included:



Declining rainfall



More dangerous fire weather. Hotter and more frequent hot days



More intense heavy rainfall events



Increasing maximum, minimum and average temperatures

As global conditions worsen, local risks will inevitably exacerbate. Some of the ways these global risks could manifest in the local landscape as strategic climate change risks include:

- Increased costs associated with the management of assets and infrastructure vulnerabilities due to changing environmental conditions.
- Increased public liability exposure and higher insurance costs exacerbated by climate change impacts.
- Poor reputation as a result of failing to manage community expectations.
- Water insecurity and biodiversity loss, exacerbated by warmer temperatures and reduced rainfall.
- Increased severity and frequency of bushfires for Councils, and public safety and health issues caused by extreme weather events and temperatures.
- The inadequacy of land use planning and the reduction of viable land for food production.

Background

Developing the Climate Change Risk Adaptation Plan







The CoA Action Plan was developed through a staged approach, with the input of a 15 person Project Steering Group. Feedback was also provided by 37 staff representing CoA programs (including Executive Leadership) and 28 CoA staff providing feedback on drafts.

Analysis was undertaken in relation to governance, physical and transitional climate change related risks, through approaches aligned to ISO31000 Risk Management and AS5334 Climate Change Adaptation for Settlements and Infrastructure. This informed the Climate Change Risk Assessment Report, which included a series of recommendations in relation to governance, and identified 283 individual physical risks, including five extreme risks for 2030, and 39 extreme risks for 2090.

The 119 highest priority risks identified in the Climate Change Risk Assessment Report were used as the basis for defining the Key Areas of Decision Making (KADMs). The highest priority risks were consolidated into eight (8) KADMs based on similarities, with the input of the Project Steering Group:

1. **Key CoA Buildings and Community Spaces** – ensure buildings and the services provided from them are adapted to the changing climate and help to build community resilience.
2. **Rundle Mall Business Continuity** – strategically plan for a Mall that is fit-for-purpose in a changing climate and continues to provide exceptional retail and service opportunities for residents and visitors.
3. **Infrastructure Longevity** – investigate, plan and implement best practice climate change adaptation across CoA infrastructure portfolio to ensure built and natural assets continue to support a livable city.
4. **Green Spaces** – increase the amount of green space across the city, as well as the capture and reuse of water to support these spaces, to shade and cool the CoA.
5. **Workforce Safety** – support CoA staff health and wellbeing and continue to provide exceptional customer service in a changing climate.
6. **Events** – continue to provide world leading events in a safe and flexible way to adapt to climate change.
7. **Building Development** – ensure city buildings are fit-for-purpose now and in a changed future climate.
8. **Homelessness Support** – work with partner organisations to ensure CoA's most vulnerable are supported in the more extreme weather predicted for climate change.

Actions within the 8 KADMs were initially prioritised by applying a multi-criteria assessment. Each action was scored against the following six criteria, which contained categories allocated a score of 1-5:

-  **Skills/capacity need to deliver the action.**
-  **Commencement timing of the action.**
-  **Timeframe to completion for the action.**
-  **Monitoring frequency, specific to the action.**
-  **Budget required to deliver the action.**
-  **Existing budget available for the activity.**

Implementation and Governance of the Action Plan

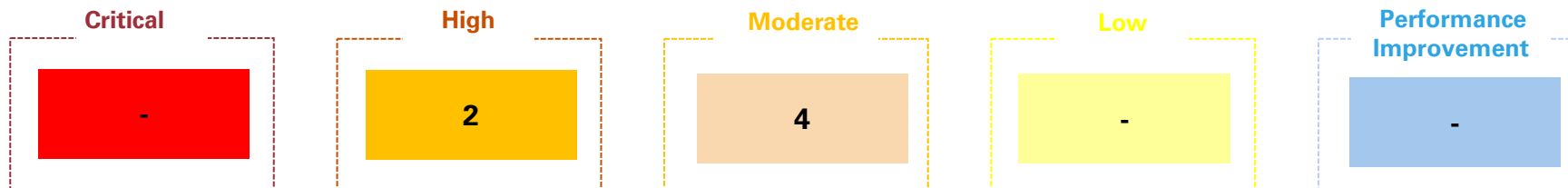
Currently, the Park Lands, Policy and Sustainability team are responsible for the implementation and monitoring of the Action Plan. This includes preparation of quarterly reporting to the Audit and Risk Committee, informed through a tracking tool that is managed within Microsoft Excel. At present, content within the tracking tool is the responsibility of the Managers assigned responsibility for actions with oversight by the Park Lands and Sustainability team through the Senior Sustainability role. Prior to development of the tracking tool, actions were monitored through the Council's Audit and Risk tool ProMapp. It is acknowledged all action plans across the CoA are currently being managed manually through spreadsheets.

A multi-disciplinary Climate Change Risk Steering Group has also been established to support oversight of the Action Plan, monitoring progress on a quarterly basis. This group assists with informing the reporting process and was composed with the intent to embed a culture of sustainability across multiple areas at the CoA.

Throughout the review, it was noted updates to the status of actions are reported to the Senior Sustainability Advisor. This includes supporting information, in particular for actions reported as 'Complete'. Instances were noted of inaccurate reporting for some actions within the Action Plan, in part attributed to a lack of a formalised quality assurance process for completed actions.

Internal Audit Findings

Internal Audit identified two (2) high risk-rated and four (4) moderate risk-rated findings. The details of the findings are provided in the 'Detailed Findings' section of this report. These findings have been individually rated as follows:



Rating	Ref #	Description
High	F1	The reported status of the Action Plan is inaccurate for some actions
High	F2	A supporting implementation plan linked to the CoA's LTFP is not in place
Moderate	F3	Gaps identified in monitoring and reporting of the Action Plan
Moderate	F4	Further communication and awareness in relation to the Action Plan is required
Moderate	F5	Opportunity to refresh actions aligned to the CoA's current strategic priorities
Moderate	F6	Consideration required for long-term integration of the Action Plan into a broader sustainability strategy and reporting

Detailed Findings

Observations and Recommendations

Rating: High

Finding 1: The reported status of the Action Plan is inaccurate for some actions

Observations	Recommendation(s)	Agreed Management Actions
<p>Upon review of the Climate Change Risk Adaptation Action Plan, the status of various actions were identified as being incorrectly reported, including four (4) actions being marked as 'Complete' which were noted as still in progress and four (4) actions reported as 'Not yet started' that were acknowledged to be BAU activities and more accurately marked as 'Complete'.</p> <p>Post audit it has been advised that the incorrectly reported actions have subsequently been updated with the correct status. The following were noted in relation to factors impacting the accuracy of the Action Plan:</p> <ul style="list-style-type: none"> The organisational climate risks facing the CoA, and subsequent actions identified within the Action Plan, were assessed and composed at a point in time. The climate change risks of the CoA are dynamic and as a result the relevance of the specific content in certain actions has dissipated over time and as new information has come to light. Anecdotal evidence suggests there is an inconsistent understanding across the organisation as to when actions can be considered 'Complete'. This was particularly evident for actions that have changed responsible owners and been progressed or closed in the past. <p>Specifically, the status of the Action Plan for four (4) of the twenty-two (22) actions marked as 'Completed' were identified in the September 2023 Audit & Risk Committee Report to be more accurately defined as 'In progress' including:</p> <ul style="list-style-type: none"> Action 5.6 - Identification of cool refuge areas for outdoor council workers. This action requires further investigation to understand the impact of hot days before completion. Through additional research, the CoA will assess the effectiveness of current practices and may identify potential improvement opportunities. Action 6.4 - Identification of strategic tree planting locations through a collaborative approach with Assets, Public Realm and Event team. Through stakeholder consultations, it was identified this action is currently 'In-progress' with some progress initiated, however further work is required to complete this action. Action 6.8 - Establishment of average temperature trend thresholds to improve CoA's capacity to hold uninterrupted outdoor events. Progress has been made in relation to this action, demonstrating effective practices for identification and mitigation of potential extreme weather risks. However, a comprehensive assessment of the impact of more frequent and longer heat waves to CoA events has not been performed. This includes considerations such as additional infrastructure to provide cool refuges or guidelines to cancel events in extreme heat not yet in place. Action 7.7 - Consideration to climate risk assessment for high-priority large-scale infrastructure projects prior to approval. Work relating to this action has commenced with informal pre-lodgement stage consideration now performed, however this process has not been formalised. <p><i>(Continued on the following page)</i></p>	<p>Internal Audit recommends that CoA:</p> <ol style="list-style-type: none"> Develops and communicates a standardised process for reporting updates of the status of actions to the Parklands, Policy and Sustainability team, for quarterly reporting at the Audit and Risk Committee meetings. Formalise the quality assurance process for marking actions as 'Complete' (see Finding 3). Develops an Integrated Sustainability Strategy as a guiding framework for the Action Plan (see Finding 4) and an implementation plan to support its delivery (see Finding 2). 	<ol style="list-style-type: none"> A standard report format is provided to the Audit & Risk Committee quarterly using an Excel spreadsheet to document status against the Action Plan. An instructions tab-sheet will be included in the Excel workbook to support standardisation of the process until such times as the Action Plan is replaced. To improve quality assurance processes, responsible managers across the CoA have been requested to provide evidence of the action being taken by way of Content Manager reference or other documentation. This process can be further formalised such that actions cannot be marked 'Complete' without supporting evidence being provided. Council endorsed a draft Integrated Climate Strategy on 12 December 2023 for public consultation and finalisation is expected to occur in the first half of 2024 including development of the monitoring and reporting framework.

Observations and Recommendations

Rating: High

Finding 1: The reported status of the Action Plan is inaccurate for some actions

Observations

(Continued from the previous page)

The following four (4) 'Not yet started' or 'In progress' actions have been reviewed and identified to be more accurately reflected as 'In progress' or 'Completed':

- **Action 1.2** - Completion of an audit of key sites relating to energy efficiency and identification of active and passive cooling measures. This action was previously identified as 'In progress', however it was noted an audit report has been finalised and this action is 'Complete.'
- **Action 6.1** – Identifying ways to increase community engagement and messaging for events impacted by rising temperatures. It was advised this action aligns to BAU practices and has been 'Completed', despite being marked as 'Not yet started' within the tracking tool.
- **Action 6.5** – Further collaboration within teams at CoA as a part of the review of Adelaide Park Lands Event Management Plan/City Event Management Strategy, to ensure comprehensive incorporation of climate change adaptation strategies. It was advised this action is 'Complete' as this collaboration between teams is ongoing, however the action was marked 'Not yet started' in the tracking tool.
- **Action G2** – Consideration of including statements regarding CoA's divestment from fossil fuels, energy transition and carbon price in adaptation decisions within financial planning documents. Through discussions with Finance, it was advised that although this action is marked 'Not yet started' in the tracking tool, it is better placed as 'In progress' as the CoA has commenced the following:
 - Intention and progress of electrifying the CoA vehicle fleet.
 - Recent review of portfolio and confirmation cash investments are not placed with heavy carbon-emitting companies.
 - Council transactional banking is with NAB, who have committed to be net zero emitters by 2025.
 - Other considerations have been made in the procurement process for seeking a sustainable supply chain.

Risk(s)

Inaccuracy in the reported status of some actions within the Action Plan may result in a risk of:

- Errors in the quarterly status of the Action Plan reported to the Audit and Risk Committee.
- The unsubstantiated closure of completed actions, potentially leading to incomplete or insufficiently executed tasks.
- An inability to identify outstanding or completed actions that may have become obsolete as climate risk to the Council evolves.
- Reputational damage to Council, including a possibility of greenwashing.

Agreed Management Actions

(Continued from previous page)

Responsibility:

Manager Park Lands & Sustainability.

Target Dates:

1. 30 June 2024.
2. 30 June 2024.
3. 30 June 2024.

Observations and Recommendations

Rating: High

Finding 2: A supporting implementation plan linked to the CoA’s Long-Term Financial Plan is not in place

Observations	Recommendation(s)	Agreed Management Actions
<p>The Action Plan commits to a number of aspirational actions and various other capital projects.</p> <p>Whilst the CoA has delivered on multiple projects detailed within the Action Plan, a supporting implementation plan which includes a roadmap summarising the actions, resources and funding required is not in place. This includes absence of a breakdown of costings around the relevant time horizons and linkage to the CoA’s Long-term Financial Plan (LTFP). It is noted however, the CoA has a number of different avenues to support sustainability related initiatives across the organisation, including the Climate Change Action Initiative Fund (CCAIF).</p> <p>The following were highlighted from our review of supporting frameworks and processes associated with delivery of the Action Plan:</p> <ul style="list-style-type: none"> The Action Plan includes 85 actions across 12 departments at the CoA. During the annual budgeting process, the CoA considers and approves key initiatives, projects and programs which includes consideration of linkage to the Council’s sustainability strategy. It was observed that a supporting roadmap to unify, co-ordinate and align the various projects included within the Action Plan has not been developed. Better practice would see development of a supporting roadmap with key milestones, helping to support the required planning for resources and cementing a stronger commitment for the continued roll out of the Action Plan. The CoA has committed funding of \$1.262 million for FY24 for greening related initiatives as part of the CCAIF and a bid to increase this amount from FY23 was unsuccessful. Our review of the allocation and administration of these funds highlighted the following: <ul style="list-style-type: none"> Approximately \$1 million has been budgeted toward sustainability related initiatives in FY24, with approximately \$255,000 of this budget expended as at 31 October 2023. Capital expenditure of approximately \$332,000 from the CCAIF has been budgeted for FY24 across seven (7) different projects. Review of the breakdown for this amount noted six (6) capital related projects have been cancelled and moved to a ‘future spend and scope to be determined’ bucket. In recognition of the large number of infrastructure related Action Plan initiatives, the status of these unallocated funds may be contributing to the limited progress for Infrastructure related initiatives. Overall, the Action Plan has not been costed in its entirety and does not have clear linkage or breakdown to the forecast costs for its delivery across all actions, including linkage to the CoA’s LTFP. The activities required to deliver on the 85 actions detailed within the Action Plan have not been consistently defined or scoped. To support delivery of the Action Plan, it is recommended that the CoA agrees the activities required to deliver on the remaining actions of the Plan. Going forward, this process should be performed on a regular basis to help ensure sufficient resource capacity with required capability and experience. <p><i>(Continued on the following page)</i></p>	<p>Internal Audit recommends the CoA develops an implementation plan to deliver the Action Plan. This should include consideration of:</p> <ol style="list-style-type: none"> Developing key milestones to support planning processes in delivering the Action Plan. This should be linked to the LTFP. Access of CCAIF/sustainability project funding is best placed through the budget bidding process, in the initiation phase of Council projects. This should occur prior to commencing the planning and design phases. Integrating existing CCAIF annual costing allocation breakdowns into the LTFP. Through consulting key stakeholders and reviewing outstanding actions, refreshing timelines to ensure they are achievable and prioritised appropriately, subject to capacity and other resources available. Resourcing requirements to effectively manage and implement the Action Plan. It is noted a replacement resource was being sought for the Senior Sustainability Officer at the time of this review. 	<ol style="list-style-type: none"> Council endorsed a draft Integrated Climate Strategy on 12 December 2023 for public consultation. The final strategy will include a costing Implementation Plan for delivery from 2024/25, and implementation over the Council term. Sustainability guidance for infrastructure projects is in development as part of the Project Management System. The Climate Implementation Plan will be integrated into the CoA’s 2024/25 LTFP. The timeframes in the Climate Change Risk Action Plan will continue to be discussed the quarterly reporting process in 2023/24 and retiming of actions reported to Audit and Risk Committee. Timeframes for delivery of the new Integrated Climate Strategy from 2024/25 will include an agreed implementation plan with updated timeframes for delivery.

Observations and Recommendations

Rating: High

Finding 2: A supporting implementation plan linked to the CoA's Long-Term Financial Plan is not in place

Observations

(Continued from previous page)

- The lack of clarity over the remaining priorities contained within the Action Plan has impacted on the ability of the CoA to effectively plan ahead, including time to allow for communication, consultation and resource planning related to the activities to deliver on the Action Plan.
- A mechanism to capture risks related to delivery of the Action Plan, which includes associated risk mitigation plans, has not been developed.

Risk(s)

Without an implementation plan to support delivery of the Action Plan, (which is linked to the LTFP), there is a risk of:

- A lack of clarity for the objectives and priorities of the Action Plan, including key initiatives, projects and programs.
- Insufficient resource planning to deliver on agreed actions and meet key milestones within the Action Plan.
- Under utilisation or poor allocation of available funding for greening and other sustainability related initiatives.
- An inability to effectively capture risks related to the delivery of the Action Plan.

Agreed Management Actions

(Continued from previous page)

5. The CoA has sought to address resourcing gaps in other programs to deliver climate change adaptation initiatives as part of the annual business plan and budgeting process. This includes, as an example, securing 2 FTE and operating budget to deliver an accelerated greening program in the Adelaide Park Lands in 23/24.

Responsibility:

1. Manager Park Lands and Sustainability
2. Manager Park Lands and Sustainability
3. Manager Finance and Procurement
4. Manager Park Lands and Sustainability

Target Dates:

1. In progress, implementation date 30 June 2024.
2. In progress, implementation date 30 September 2024.
3. 30 June 2024.
4. 30 June 2024.
5. Completed.

Observations and Recommendations

Rating: Moderate

Finding 3: Gaps identified in monitoring and reporting of the Action Plan

Observations	Recommendation(s)	Agreed Management Actions
<p>A number of inconsistencies in the governance of the Action Plan were identified, impacting the effectiveness of the plan's integration within the CoA's relevant systems.</p> <p>Currently, progress of the Climate Change Adaptation Action Plan is being managed through an Excel spreadsheet and is updated by responsible managers with coordination by a member of the Park Lands, Policy & Sustainability team. From Council adoption of the plan in October 2021 until February 2022, the monitoring and reporting of the Action Plan's status was noted to have been an automated process through the organisation's Audit and Risk tool ProMapp. A Climate Change Risk Steering Group also meets quarterly to discuss progress of the Action Plan and includes a multi-discipline committee.</p> <p>Through review of the current governance over the Action Plan, the following observations limiting the effectiveness of the Action Plan's integration at the organisation were noted:</p> <ul style="list-style-type: none"> Existing follow-up and accountability processes for actions within the plan are being managed through a spreadsheet which has been managed by the Park Lands and Sustainability team. At present, this process does not incorporate automatic reminders for responsible staff on approaching or overdue actions and is reliant on cooperation and diligence from responsible Managers to close-out actions. It was noted this process was previously being managed through ProMapp when the Action Plan was adopted by Council in 2021. It was advised an internal decision on the use of a reporting tool for action plans is yet to be finalised. There is currently an absence of an effective quality assurance process in place to validate the completion of actions reported as closed which are reported to the Audit and Risk Committee. While it is noted the tracking spreadsheet has recently been updated to consider additional commentary explaining the status of actions and for TRIM documentation references, in some instances this commentary did not adequately detail how the action was closed, and the associated supporting documentation did not always warrant the closure of actions (see Finding 1). There is no obligation or KPIs set at a strategic level to drive completion of actions within the Action Plan, resulting in limited accountability from responsible Managers and individuals outside of the Sustainability Team. While a strong commitment to reducing climate change risk exposure was noted at a Council Body and Executive level, there is a disconnect within Management across the organisation and demonstration of prioritising progression of the Action Plan. Anecdotal evidence suggested actions from within the Action Plan are viewed as burdensome, irrelevant in some instances and there was limited understanding of the intrinsic linkage to the success of the organisation going forward (see Finding 4). <p><i>(Continued on the following page)</i></p>	<p>Internal Audit recommends the CoA:</p> <ol style="list-style-type: none"> Introduces a more formalised quality assurance process to validate the actions reported as completed have been sufficiently addressed. Consider uplifting monitoring and reporting processes for the Action Plan, by considering and implementing better practice sustainability reporting frameworks (refer Appendix 1 – Future Linked Environmental Reporting Considerations). Consider ways to alleviate the administrative burden of coordinating the Action Plan by key staff in the Parklands, Policy and Sustainability team. This would provide greater capacity for further value adding activity to communicate and support the implementation of sustainability activity across the CoA. Assigns greater accountability to Managers responsible for actions within the Action Plan through greater alignment of strategic KPIs. 	<ol style="list-style-type: none"> Council endorsed a draft Integrated Climate Strategy on 12 December 2023 for public consultation that prioritises actions and introduces a new reporting framework. See Action 1 above. The CoA's Corporate Services team is currently in consultation with Governance, investigating the opportunity of using an organisation-wide reporting tool to address this recommendation. A separate piece of work is being commissioned in Q3 (2023/24) to peer review the draft Integrated Climate Strategy including priorities and metrics and provide recommendations on implementing strategy and process for identifying, managing and reporting relevant actions and risks. Through this review, a new process for managing and reporting relevant actions and risks will be identified and implemented from 2024/25. <p>Responsibility:</p> <ol style="list-style-type: none"> Associate Director Park Lands, Policy & Sustainability. Associate Director Park Lands, Policy & Sustainability. Manager Park Lands & Sustainability. Associate Director Park Lands, Policy & Sustainability. <p>Target Dates:</p> <p>All actions in progress, to be completed by 30 June 2024.</p>

Observations and Recommendations

Rating: Moderate

Finding 3: Gaps identified in monitoring and reporting of the Action Plan

Observations

(Continued from the previous page)

- Overall, reporting over the Action Plan is based on the status of the 85 actions within the Action Plan. Going forward, it would be recommended that the CoA consider better practice sustainability reporting frameworks that would consider, quantify and report the financial, community or environmental benefits realised by the organisation as a result of completing relevant actions. Operationally, the reporting of status of completed actions should be monitored and managed through internal reporting channels.

It is understood that the CoA is currently seeking a tool to better manage, automate and consolidate all action plans across the organisation as a part of broader CoA strategic ambitions. If adopted, this is likely to alleviate the administrative burden on key personnel and assist with current challenges in reporting accuracy.

Risk(s)

An inconsistent approach to governance of the Action Plan may lead to a risk of:

- Unintended outcomes for the Council from action completion, that are ineffective at reducing climate change risk exposure for the community.
- Inaccurate reporting to the Audit and Risk Committee and a lack of visibility of the status of the Action Plan.
- Ineffective allocation of labour and the skillset for key members of the Park Lands, Policy and Sustainability team in addressing climate change risk of the CoA.
- A growing list of overdue actions, without accountability from responsible Managers.
- Reputational and financial implications from impacted delivery of the Action Plan.

Observations and Recommendations

Rating: Moderate

Finding 4: Further communication and awareness in relation to the Action Plan is required

Observations	Recommendation(s)	Agreed Management Actions
<p>Greater communication of the risks climate change present to council and the intent of the Action Plan is required across the CoA, to further embed a culture of sustainability from the top down.</p> <p>A number of limiting factors are currently impacting the level of engagement with the Action Plan across the organisation. At present, there is a misalignment between the Executive sponsorship of the plan and delivery of the actions from CoA Management. There is also a need to further clarify the relevant roles, responsibilities and accountabilities across the CoA in delivery of the Action Plan. It was noted the roles and responsibilities associated with the overarching delivery of the Action Plan have not been formally defined or documented.</p> <p>The following items were noted relating the clarity of roles, responsibilities and commitment towards implementing the Plan across the CoA:</p> <ul style="list-style-type: none"> Recent turnover of a number of key Management personnel has contributed to a patchy understanding of the Action Plan and inherited actions. This includes a number of the CoA Management team interviewed advising a hand-over of their actions had not been performed, and they had 'inherited a number of actions' to complete without any background context or understanding of what was required, or progress of the action. For members outside of the Park Lands, Policy and Sustainability team, there is a lack of understanding of the critical importance of the Action Plan to the Council, the community and other stakeholders impacted. It was advised limited training has been delivered across the organisation to educate staff and support implementation of the CoA's sustainability objectives. To bolster the belief and attitude among employees, it is important to invest in educating employees about sustainability as well as to create systems and processes that make it easier for employees to integrate sustainability into their business decisions. Many sustainability initiatives require specialised knowledge and expertise. In the conduct of this review, Internal Audit was advised the implementation of climate change risk actions was not a priority for some staff at the CoA. This was due to constraints in resource capacity (outside of the Park Lands, Policy and Sustainability team) that could be redirected from required BAU activities to support the implementation of the Action Plan. It was further noted that the Action Plan has not considered resource requirements for each action in their entirety. Further resource capacity is required, to drive and implement the Action Plan. It is noted resourcing for coordination of the plan is sufficient within the Park Lands, Policy and Sustainability program, however teams across the CoA have indicated they are not resourced to deliver on their climate risk actions. Action was taken to address this in FY24 budget bids, by requesting additional program funds and FTE staff in combination. <p>To keep visibility high and reinforce the idea that achievements in sustainability are meaningful for the CoA, it is also important to celebrate success when goals are reached or actions are successfully completed.</p> <p><i>(Continued on the following page)</i></p>	<p>Internal Audit recommends the CoA develops an Integrated Sustainability Strategy with consideration given to:</p> <ol style="list-style-type: none"> Engaging with relevant managers in relation to the effectiveness of current actions assigned (and any new sustainability related initiatives). This process should be driven by the desired outcomes for the Council in reducing climate risk exposure. Providing sustainability training to employees to further create a culture of sustainability. Ensuring actions are aligned with the CoA's updated strategic plan and are complimentary across teams, where possible. External stakeholder engagement forums to support the wider community and provide a platform for information sharing. Further integrating sustainability into the decision-making framework used for identifying new projects. 	<p>Council endorsed a draft Integrated Climate Strategy for public consultation on 12 December 2023 that consolidates existing CoA climate related plans. The draft framework was presented to Executive in October 2023.</p> <p>The draft Strategy was:</p> <ul style="list-style-type: none"> Developed alongside the draft Strategic Plan for 2024-28. Received input from teams responsible for actions in existing plans; and Shared with senior leaders across the organisation to support budget proposals for FY25. <p>Information sessions for the CoA employees on the draft Integrated Climate Strategy are scheduled for February 2024.</p> <p>Responsibility: Manager Park Lands & Sustainability.</p> <p>Target Dates: All actions in progress, to be completed by 30 June 2024.</p>

Observations and Recommendations

Rating: Moderate

Finding 4: Further communication and awareness in relation to the Action Plan is required

Observations

(Continued from the previous page)

Risk(s)

Without uplift in communication and awareness of the risks climate change poses to council and the importance of the Action Plan in reducing those risks, there is a risk of:

- Constrained managerial uptake of the actions within the plan and limited improvement in completion rates.
- Poor awareness of the importance and impact of climate change for the future of the Council.
- Resource constraints within different teams across the Council continuing to limit progress of actions.

Observations and Recommendations

Rating: Moderate

Finding 5: Opportunity to refresh actions aligned to the CoA’s current strategic priorities

Observations	Recommendation(s)	Agreed Management Actions
<p>There is an opportunity to review and refresh the Action Plan, to ensure ongoing alignment with the CoA’s strategic priorities.</p> <p>Specifically, our review noted the following opportunities for improvement within existing processes:</p> <ul style="list-style-type: none"> The prioritisation of actions through multi-criteria assessment appears to have been misaligned with the actual organisational capacity to deliver in agreed timelines. Additionally, factors such as alignment with strategic objectives and organisation or community impact have not been considered in the action prioritisation process. A full list of the multi-criteria assessment applied to prioritisation of the Action Plan is available in the background of this report. A number of actions included were advised to be onerous, without a strong basis or foundation of the expected impact of each. For example, altering the high-priority project pre-approval process by formalising a process for conducting climate risk assessments before granting approval, particularly for new large-scale infrastructure projects. Some actions may have regulatory or legislative requirements that were not considered in development of the Action Plan and should be reconsidered or removed. <p>Since the inception of the Action Plan in October 2021, a number of organisational changes, climate-related research and additional information has become available to the CoA. As a result, it is recommended a ‘refresh’ of actions within the Action Plan is completed, with consideration to the additional information corroborated. The above may present as an opportunity to aggregate some actions within the Action Plan and update the overall timing to better reflect capacity, capability and committed funding.</p> <p>Risk(s)</p> <p>Without a refresh of actions within the Action Plan, there is a risk of:</p> <ul style="list-style-type: none"> Prioritisation being driven by timelines, rather than organisational or community impact. Actions are outdated, redundant and/or not in line with legislative/regulatory considerations. Competition for resources between actions, with the potential for conflicting outcomes for the Council. 	<p>Internal Audit recommends the CoA:</p> <ol style="list-style-type: none"> Refreshes the Action Plan by leveraging the multi-criteria assessment approach for prioritisation of actions that includes organisation and community impact of climate change related actions. This process should also include removing actions that are no longer fit-for-purpose, or face significant legislative/regulatory barriers to complete. 	<ol style="list-style-type: none"> Council endorsed a draft Integrated Climate Strategy on 12 December 2023, which prioritises actions based on outcome and alignment to risk mitigation. External review will be utilised that uses multi-criteria assessment to test priorities against CoA’s comprehensive risk assessment in 2021. <p>Responsibility: Associate Director Park Lands, Policy & Sustainability.</p> <p>Target Dates:</p> <ol style="list-style-type: none"> 30 June 2024.

Observations and Recommendations

Rating: Moderate

Finding 6: Consideration required for long-term integration of the Action Plan into a broader sustainability strategy and reporting

Observations	Recommendation(s)	Agreed Management Actions
<p>There is an opportunity to uplift integration of the Action Plan into the CoA's future approach to climate-related reporting. The following items were noted in relation to this:</p> <ul style="list-style-type: none"> Currently, there is limited consideration within the Action Plan to proactively integrate emerging better practice climate-related reporting requirements within BAU practices. There is a need for CoA to consider how actions within the Action Plan align with their emerging climate change related reporting requirements based on IFRS 2 - Climate Related Disclosures and AASB Exposure Draft Reporting Requirements. The current Action Plan presents an opportunity for the CoA to align its actions with future reporting needs. There is an opportunity to consolidate all climate and environmental strategies and plans, including the Action Plan, into an integrated sustainability strategy. <p>It is noted the CoA publicly discloses its progress through its Annual Report and communicates internally through quarterly reports to the Audit and Risk Committee and CDP reporting. However, without adequate consideration to long-term integration of the Action Plan into the broader sustainability and reporting process, there is a risk the Council is unprepared for emerging climate related reporting requirements.</p> <p>Risk(s)</p> <p>Without further consideration of the long-term integration of the Action Plan in the CoA's broader sustainability strategy, there is a risk of:</p> <ul style="list-style-type: none"> Legislative implications resulting from not aligning with future sustainability reporting obligations. Development of climate and environmental strategies, which are not sufficiently aligned to legislative requirements and organisational priorities. Ineffective and inefficient allocation of limited resource capacity, without a holistic and aligned strategy. 	<p>Internal Audit recommends the CoA considers the following opportunities for uplifting long-term integration of the Action Plan:</p> <ol style="list-style-type: none"> Aligning with better practice climate related reporting frameworks (see Appendix 1 – Future Linked Environmental Reporting Considerations). Develop an Integrated Sustainability Strategy (see Finding 4). Formalise external communication of greening initiatives and other climate change mitigation or adaptation activities to CoA stakeholders. 	<ol style="list-style-type: none"> Council endorsed a draft Integrated Climate Strategy on 12 December 2023, which prioritises actions and introduces a new reporting framework. See Action 1 above. The CoA website is to be updated to publicly report against the Integrated Climate Strategy in 24/25 (subject to budget). The Project Risk section of the Project Request System (Project Management System) has been updated to include a field for "Climate Change Risk Assessment". A draft Housing Strategy (Investing in our Housing Future) was endorsed by Council in November 2023 and is on public consultation until mid-January 2024. This policy includes minimum environmental sustainability performance criteria for Council housing projects. <p>Responsibility: Manager Park Lands & Sustainability.</p> <p>Target Dates:</p> <ol style="list-style-type: none"> 30 June 2024. 30 June 2024. Completed. 30 June 2024. 31 December 2024.

Review of Completed Actions

Review of completed actions

Below is a summary of the sample of completed actions, selected from the tracking tool:

Key





- Action complete
- In progress, strong steps toward completion
- Incomplete

Action Ref #	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
1.2 (AEDA)	By June 2023, complete an audit of the key sites relating to energy efficiency and building thermal efficiency improvements, including active and passive cooling measures.	Contractor engaged and has audited all community centres and libraries. Final reports and recommendations in draft format. (Central Market fresh air ventilation and ducting into car park projects commencing 2023/24 therefore this audit will be performed post this work).	●	No evidence was provided for this action. There is lack of awareness on the outcomes, planning and work associated with the audit activity and a need to improve communication and knowledge transfer. It was identified that there is a requirement to provide further support to staff to drive implementation of the action plan.	<ul style="list-style-type: none"> • No evidence received.
2.1 (AEDA)	By December 2022, develop and implement promotion/campaign centred on the Rundle Mall as a cool refuge during heat wave events (e.g. "we're still cool" campaign).	Executive Manager, Rundle Mall notified by email 20/12 that this was to be implemented Boxing Day 2022 via socials post and RM web page (refer screen shots in TR email)	●	Reviewed examples of promotional activities undertaken such as 'Rundle Mall cool zones' for Boxing Day. Black Friday Survival Guide promoted on Rundle Mall website, including additional campaigns running over their website. Additional evidence reviewed includes positive feedback received from shoppers at Rundle Mall.	<ul style="list-style-type: none"> • Media Release_Boxing Day sales bonaza in Rundle Mall Dec_2022 • Climate risk action Rundle MallClimate risk action Rundle Mall • Correspondence on action from Executive Manager
3.5 (Infrastructure)	By December 2022, identify opportunities to implement a regular collaboration and knowledge sharing "event" with other local Councils to share knowledge / trial outcomes of new products or applications.	Network opportunity provided - Training delivered 26 May 2022 as a collaborative project with CoA Sustainability, Infrastructure and IPWEA with 86 attendees, approx 50 CoA. TR - Caitlin & TR agree occurring via regular prof devt/training/webinars etc. Staff attending regular training for eg.IPWEA events.	●	Reviewed evidence of training provided by Dr Jacqueline Balston – IPWEA's Director of Sustainability and covered Climate Science. These documents also include practice notes and list of attendees. The trainings are conducted on a case-by-case basis based on decision made by management on determining appropriateness of training required. From stakeholder consultations it was identified that there are intentions to conduct additional training to ensure collaboration with other local councils.	<ul style="list-style-type: none"> • IPWEA Practice Note 12.1 & 12.2 Training Day CoA Participation workshop • IPWEA Practice Note 12.1 and 2.2 Training Day Logistics • IPWEA Practice Note 12.1 and 12.2 Training Day attendees
5.1 (Corporate Services)	By December 2022, commence implementation of the Safety and Wellbeing research (currently underway) into workplace heat management.	Research piece has been completed and the draft report produced. It was hampered somewhat by Adelaide experiencing the coolest summer in 5 years. More testing occurring in summer 2023/24.	●	Reviewed evidence of research conducted by the University of Adelaide on the management and productivity of Adelaide City Council's outdoor workers during heatwaves. This research was conducted in three phases and included heat risk mapping for City of Adelaide Council work zones, environmental monitoring to validate heatwave risk categories, and mixed methods approach included surveys to assess worker's experience in working during hot weather conditions.	<ul style="list-style-type: none"> • Research document "The management and productivity of City of Adelaide Outdoor workers during heatwaves"

Review of completed actions (cont)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
5.5 (Corporate Services)	By June 2023, review the safe work heat policy and explore how it is implemented for individual work groups.	Waiting to test new ESIM II for application to heat index. Field testing with Hort and PIOs starts Feb 2023 Heat map work zone matrix developed for teams.		The work heat safety procedure document was reviewed. This document includes a procedure that applies to all CoA owned infrastructure and is a part of CoA's Safety Management Systems. This document also includes roles and responsibilities of CoA staff, system and training requirements. Controls have been suggested for outdoor workers, indoor workers and temperature heat index chart. Additionally, the 'Heat Study PPT Draft' provides evidence of work zone heat risk mapping activity and analysis of local conditions within the CoA Council.	<ul style="list-style-type: none"> OS 006 P 012 Working in Extreme Weather Procedure V 3.1 May 2023 (4) Heat Study PPT Draft Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"
5.6 (Corporate Services)	By August 2023, all Council cool refuge areas within the City are to be clearly identified and, where active works are happening, dedicated for outdoor Council workers during periods of extreme heat.	Cool refuge areas have been identified but need further work to assess the impact of watering so meeting deadline is at risk. Cooler parkland areas are cooler due to the evaporative effect of watering. The consequence of watering is increased humidity that may not be beneficial to the people working in the area, so although the area will be cooler from an environmental perspective, it may not be suitable as a cool refuge. Proposed for re-timing to 30 Aug 2023 due to unexpected results from Phase 1 meaning extra research required (TR). Currently there is a climate map of all parklands and streets within the CBD and North Adelaide, which identify cool, medium and hot areas. Currently refuge areas are in shady locations, CoA buildings and airconditioned vehicles.		Reviewed evidence of identification of cool refuge areas as documented within the 'Heat Study PPT Draft' document. Whilst this action has been marked 'Completed' and mapping has been completed to identify cool refuge areas, further research is required to identify and assess the evaporative effect and impact of watering in green zones and further hot day impacts (e.g., impact of watering and impact to city water pressure).	<ul style="list-style-type: none"> Heat Study PPT Draft Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"
5.7 (Corporate Services)	By June 2023, produce a validated work zone map indicating high/medium/low risk areas for heat exposure and a matrix which can be used for the allocation and prioritisation of activities during forecast heatwaves/extreme heat events.	Uni research's have produced the decision matrix and we are identifying how we will determine the micro climate variables. Technically complete, but we are exploring options to automate some of the process and remove complexity.		This action was completed in conjunction with Action 5.1. Reviewed evidence of research conducted by the University of Adelaide on the management and productivity of Adelaide City Council's outdoor workers during heatwaves. This research was conducted in three phases and included heat risk mapping for City of Adelaide Council work zones, environmental monitoring to validate heatwave risk categories, and mixed methods approach included surveys to assess worker's experience in working during hot weather conditions.	<ul style="list-style-type: none"> Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"






Review of completed actions (cont)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
5.11 (Corporate Services)	By June 2023 develop and begin implementing a plan for expanding the network of cool refuges available across the City for outdoor workers to access during extreme weather conditions	Superseded due to results of research, and heat map work zone matrix being used in conjunction with ESIM (Environmental Stress Index Monitor 2.0).		Reviewed evidence of research conducted by the University of Adelaide on the management and productivity of Adelaide City Council's outdoor workers during heatwaves. This research was conducted in three phases and included heat risk mapping for City of Adelaide Council work zones, environmental monitoring to validate heatwave risk categories, and mixed methods approach included surveys to assess worker's experience in working during hot weather conditions.	<ul style="list-style-type: none"> Research document "The management and productivity of Adelaide City Council Outdoor workers during heatwaves"
6.3 (Park Lands, Policy and Sustainability)	By June 2023, establish and implement a protocol for regular monitoring, internal analysis and communication of long term weather and climate projections.	Established & Implemented refer ACC2023/84767.		Reviewed evidence of protocol developed for regular monitoring, internal analysis and communication of long term weather and climate projections. Whilst this action has been implemented, there is an opportunity to further utilise this tool within business operations.	<ul style="list-style-type: none"> Long-term Weather and Climate Projections Monitoring Protocol for Events Team
6.4 (City Operations)	By December 2022, strengthen the collaborative approach with Assets, Public Realm and Events team to identify strategic tree planting locations in key open spaces that will benefit CoA outdoor events	Previously reported by Manager, City Maintenance as complete in ProMapp.		Whilst this action was previously reported as 'Completed' in the tracking tool, from stakeholder consultations it was identified that there is an absence of formalised process for strategic tree planting and replacement in events spaces which hinders efficient implementation. Engagement with assets and events team is positive, but ensuring trees do not disrupt space usage is essential for council's green agenda. Thus, this action requires additional work.	<ul style="list-style-type: none"> No evidence received.
6.6 (Corporate Services)	By June 2022, review the Event Risk Assessment and Risk Management Planning spreadsheets and system to strengthen consideration of climate change related extreme weather conditions	No comments available.		Reviewed evidence of risk assessment template that has been developed to identify risks associated with climate changed relating to extreme weather conditions.	<ul style="list-style-type: none"> Event risk management plan - template 2022
6.7 (City Culture)	By July 2022, consider whether the mechanism for tolerance for changes to event times during extreme weather events (e.g. date can't be moved, but time of day event is run can) can be more flexible (i.e. as part of Adelaide Park Lands Event Management Plan/City Event Management Strategy review).	The flexibility is occurring as ongoing event planning work. The relevant document is now the Adelaide Events Guidelines and next review is timed for early 2023 and climate change adaptation flagged for inclusion. Provisions already exist for flexibility within events in situations of extreme weather. An adverse weather plan is incorporated into Event Management Plans which includes extreme weather. This Action Plan review is on hold. The Adelaide Events Guidelines is the overarching guideline or management of events. The flexibility is occurring as ongoing event planning work, and will be formalised as part of 6.5. Adelaide Events Guidelines annual update to be in place by December 2023.		It has been noted that currently there is an integrated and well established process for identifying extreme weather impacts or risk assessments. This approach is flexible and has been incorporated within the Event Management Plans (including extreme weather).	<ul style="list-style-type: none"> The Committee Meeting Agenda Report (report ACC2022 64914)

Review of completed actions (cont)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
6.8 (City Culture)	By December 2023, establish average temperature trend thresholds (e.g. when average weather predicted to change from 17 days over 35 to 30 days over 35) that will trigger standard additional resourcing/ expenditure, to improve CoA capacity to continue to hold uninterrupted outdoor events.	This process is being achieved through the Event Management Plan (eg. ACC2023/84640) for each event which includes completing an Event Risk Assessment (refer Action 6.6) and Adverse Weather Procedure (for which the Quarterly Long Term Weather & Climate projections [Action 6.3] will be used) per event. This is undertaken as part of event facilitation and coordination. Consideration added into Adelaide Events Guidelines. Can also add into internal event planning process and contracting for events such as New Years Eve.		Whilst this action has been marked as 'Completed', from stakeholder consultations, it is identified that there is a need to establish a comprehensive process for reassessing and managing risks associated with extreme heat events, including consideration for water, shade, breaks and additional staff. Additionally, there is a requirement to plan for potential budget adjustments in case of unforeseen weather-related expenses, such as allocating funds to an extreme weather contingency fund.	<ul style="list-style-type: none"> EEU 23- Adverse Weather and Cancellation Policy - Long-term Weather and Climate Projections Monitoring Protocol for Events Team
7.3 (Park Lands, Policy and Sustainability)	By June 2022, review new Planning and Design Code and discussion papers to identify areas for amendment related to climate change	Manager, Park Lands & Sustainability. Reported as complete by Rick 28-8-22, Aug 2021 Council Recieved report ACC2022 64914.		Reviewed the Committee Meeting Agenda Report (pages 62-63) with reference to Planning Reform as an area of development policy that requires attention. This includes reference to resource recovery/ circularity, water sensitive urban design, climate change national emergency and natural resources/Environment Discission paper as areas for amendment.	<ul style="list-style-type: none"> Winter Weekends 2023 – Event and Risk Management Plan (ACC2023/84640) Event Risk Assessments Quarterly Long-term Weather and Climate Projections July-Sept 2023 Long-term Weather and Climate Projections Monitoring Protocol for Events Team
7.7 (Regulatory Services)	By June 2023, agree on a process by which high priority projects, especially new large-scale infrastructure projects, are subject to climate risk assessments prior to approval.	This will be pursued in quarter one of 2023. Seb to meet with Tanya in early 2023 to discuss specific requirements for this action and to plan accordingly. Senior Consultant, Sustainability and Manager, City Development have met multiple times during 2023. We are currently working through a pre-lodgement document to address climate risk for large scale developments. As the P&D Code is relatively light on in terms of this issue a pre-lodgement document is where we are likely to have the greatest impact at this point. Need to retime this action as we have not met the due date.		Reviewed preliminary advice document developed to kick off the action progress. This document includes Planning and Design Code requirements and expansion of Development Plan requirements. Currently, this action is at a pre-lodgement stage. Whilst this action has been initially marked as "Completed", the action has been delayed and requires additional work.	<ul style="list-style-type: none"> Document 'Summary of progress on Action 7.7'
8.1 (Park Lands, Policy and Sustainability)	By December 2022, approach the State Government to request CoA be involved in extreme weather planning.	Council staff are updated with notifications through the State Government's email distribution list. Council also provides support to the State Government for the distribution of messaging about coding.		Reviewed example correspondence of state-wide Code Blue activation from SA Housing Authority on 6 July 2023. Demonstrated open facilities on 6, 7 and 8 July in Adelaide Metro including Baptist Care's Westcare Centre, Toward Home the Resolve Team, Adelaide North West Homelessness Alliance and Hutt St Centre. This action has been completed.	<ul style="list-style-type: none"> Code Blue Activation SAHA example correspondence
8.3 (Park Lands, Policy and Sustainability)	By December 2022, partner with the LGA to formalise an approach to people experiencing homelessness and other vulnerable community members	In November 2022 a Local Government Homelessness forum was established. The first meeting was held 30 November 2022 where representatives from various Councils discussed social issues and shared resources and information amongst members.		Internal Audit noted that this action focuses on a significant area of policy development where work has been completed. Wording of action is very specific that work is being undertaken and enough steps in place to continue open dialogue.	<ul style="list-style-type: none"> Local Government Homelessness Forum

Review of completed actions (cont.)

Action Ref#	Action	CoA Tracking Tool Comments	KPMG Review of Status	KPMG Commentary	CoA Documents Provided
8.4 (Corporate Services)	By June 2023, approach digital screen providers (e.g. Ooh!) to donate communications support during extreme weather conditions (code red/blue)	Refer to email from Manager, Customer and Marketing 29/9/2022 about engaging oOh! for multiple digital screens across city.		Reviewed evidence of email stating contract details. The objective of this action was to provide emergency messaging through digital panels on Council owned bus shelters. CoA has access to 60 digital displays. In addition to that CoA has 6 comms panels. This was a successfully procured solution and hence, has been completed.	<ul style="list-style-type: none"> Evidence of comms with Ooh within email including details of the contract with digital screen provider.
8.5 (Park Lands, Policy and Sustainability)	By December 2022, investigate broader and novel communications pathways with people experiencing homelessness, relating to extreme heat events.	Working with Marketing and the Community Safety Officers we utilise multiple communication pathways when notified by State Government that a Code Blue or Code Red is called. Two recent Code Blues or Code Reds were called on Friday 18 November 2022 and Tuesday 20 December 2022.		Reviewed example correspondence of state-wide Code Blue activation from SA Housing Authority on 6 July 2023. Demonstrated open facilities on 6, 7 and 8 July in Adelaide Metro including Baptist Care's West care Centre, Toward Home the Resolve Team, Adelaide North West Homelessness Alliance and Hutt St Centre. This information is forwarded onto marketing comms and they put on social media.	<ul style="list-style-type: none"> Clarification of Budget – Climate Change Risk Adaptation Plan 2021-2026 email chain.
8.6 (Park Lands, Policy and Sustainability)	By December 2022, develop and implement (with CoA marketing team) a formalised process for communication signs (e.g. within CoA breezeway) during extreme weather conditions.	Aligning with 8.5, we utilise multiple communication pathways and produce signage which is managed via the City of Adelaide Screens (Breezeway screen). Two recent Code Blues were called on Friday 18 November 2022 and Tuesday 20 December 2022, Marketing, Business Partner and Team Leader Marketing and Communications from the Marketing and Communications team were notified and they put out comms messaging across social media platforms.		This action aligns with Action 8.5. Reviewed example correspondence of state-wide Code Blue activation from SA Housing Authority on 6 July 2023. Demonstrated open facilities on 6, 7 and 8 July in Adelaide Metro including Baptist Care's West care Centre, Toward Home the Resolve Team, Adelaide North West Homelessness Alliance and Hutt St Centre. This information is forwarded onto marketing comms and they put on social media.	<ul style="list-style-type: none"> Code Blue Activation SAHA example correspondence.
8.8 (Park Lands, Policy and Sustainability)	By June 2023, enhance communication approaches and community reach regarding existing multifunctional refugia programs (offered by State Government) that can be utilised by people experiencing homelessness during extreme weather conditions (e.g. cool spaces and dry spaces).	Working in partnership with the State Government, Council is exploring ways on how we can support offerings of refuge in our LGA. Homelessness Coordinator met with Homeless Connect SA on Tuesday 20 December 2022.		CoA has updated the homelessness strategy to go to Council on 7 November as a request from one of Councillors. From stakeholder consultations, it is noted that this action has been completed.	<ul style="list-style-type: none"> Code Blue Activation SAHA example correspondence.
G7 (Park Lands, Policy and Sustainability)	Endorse a Climate Change Risk Adaptation Action Plan and integrate risks into existing CoA governance risk management processes.	No additional information provided.		The Climate Change Risk Adaptation Action Plan was initially integrated into ProMapp. However, this is now being managed by an excel spreadsheet by the Senior Sustainability Officer.	<ul style="list-style-type: none"> Action Plan Tracking Tool Clarification of Budget – Climate Change Risk Adaption Plan 2021-2026 email chain

Appendices

1. Future sustainability reporting	27
2. Assigned actions by responsible departments	28
3. Stakeholders consulted	29
4. Classification of Internal Audit Findings	30

Appendix 1 – Future Sustainability Reporting Considerations

There has been a shift in the climate-reporting landscape following the release of the first two International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards that many entities will be required to navigate. As such, it is critical impacted organisations have a strong understanding of obligations under these new, soon-to-be mandatory standards.

The upcoming International Sustainability Standards Board (ISSB) standards bring together four (4) global ‘better practice’ reporting frameworks, including the Taskforce on Climate-Related Financial Disclosures (TCFD), Integrated Reporting Framework, Sustainability Accounting Standards Board (SASB) and the Climate Disclosure Standard Board (CDSB). Going forward, it will be important that the CoA understands any gaps in their existing reporting processes and what will be required to report to address these gaps.

In the context of the CoA, the ISSB IFRS Standard 1 (S1) is in alignment to better practice governance, strategy, risk management and monitoring of metrics and targets, applicable to environmental management broadly (as outlined below). ISSB IFRS S1 helps companies understand how sustainability metrics affect financial performance over the short and long-term, with a strong focus on aligning key financial reporting principles with sustainability.

The below captures high-level considerations in line with **ISSB IFRS S1**:

	<p>Governance</p> <ul style="list-style-type: none"> • Who is tasked with governance? • Skills and competencies 	<ul style="list-style-type: none"> • How often they are informed • Remit of oversight (targets, risks, opportunities)
	<p>Strategy</p> <ul style="list-style-type: none"> • Sustainability risks/opportunities, cash flows and capital, financial performance 	<ul style="list-style-type: none"> • Resilience of strategy • Quantitative and qualitative progress of plans
	<p>Risk Management</p> <ul style="list-style-type: none"> • Process for identification and prioritisation • Assumptions 	<ul style="list-style-type: none"> • Assessment of likelihood and impacts • Monitoring and management
	<p>Metrics and Targets</p> <ul style="list-style-type: none"> • Specific metrics not yet identified • Any targets or revisions to targets 	<ul style="list-style-type: none"> • Guidance provided on how to report on metrics

ISSB IFRS Standard 2 (S2) governance and risk management considerations align closely to IFRS S1, however with a focus on climate related risk. IFRS S2 will require Scope 3 green house gas emissions and use of scenario analysis when describing assessment of climate-related resilience.

The below outlines criteria specific to **ISSB IFRS S2**:



Strategy: the same as general disclosure, plus:

- How climate-related targets will be resourced and achieved
- Planned adoption of new technologies
- Adaptation and mitigation efforts, including use of offsets
- Use of climate-related scenarios
- Key inputs and assumptions into the scenario



Metrics and Targets: 7 consistent for all industries

- Greenhouse gas emissions – Scope 1, 2 and 3
- Transition risks
- Physical risks
- Climate-related opportunities
- Capital deployment
- Internal carbon price
- Remuneration

Australian Accounting Standards Board (AASB) Exposure Draft (ED)

On 25 October 2023, the AASB released ED Sustainability Reporting 1 (SR1): Australian Sustainability Reporting Standards (ASRS) – Disclosure of Climate Related Financial Information.

ED SR1 includes three (3) proposed ASRS Standards that include modifications to the baseline of IFRS Sustainability Disclosure Standards:

- (Draft) **ASRS 1 General Requirements for Disclosure of Climate-related Financial Information** – based on IFRS S1 but limited to climate-related financial disclosures.
- (Draft) **ASRS 2 Climate-related Financial Disclosures** - based on IFRS S2 with Australian specific requirements.
- (Draft) **ASRS 101 References in Australian Sustainability Reporting Standards** - a draft service Standard to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in ASRS Standards.

Appendix 2 – Assigned Actions by Responsible Department

The below reflects the most recent content of the tracking tool utilised by CoA. The tool was noted to be updated during the review.

Responsible Department	Number of Assigned Actions	Number of Completed actions	Number of In Progress actions	Number of Not Yet Started Actions
ACMA	2	-	2	-
AEDA	3	1	2	-
City Culture	11	1	9	1
City Operations	1	-	1	-
Corporate Services	15	7	7	1
Finance and Procurement	2	-	-	2
Governance	2	-	-	2
Infrastructure	30	2	9	19
Park Lands, Policy and Sustainability	23	10	10	3
Regulatory Services	4	-	2	2
Strategic Property	1	1	-	-
Strategy	1	-	-	1

Appendix 3 – Stakeholders Consulted

The table below outlines all personnel who were involved in discussions and contributed to the observations in this report.

Department	Role
Sarah Gilmour	Associate Director - Parklands, Policy and Sustainability
Adam Hornhardt	Events Manager
Noni Williams	Manager Park Lands & Infrastructure Maintenance
Tanya Roe	Senior Sustainability Advisor
Matthew Field	Manager – Park Lands, Policy & Sustainability
Colleen McDonnell	Manager - City Planning & Heritage
Andrew White	Executive Manager- Rundle Mall (AEDA)
Ashley Bowden	Manager - Infrastructure Planning
Seb Grose	Manager - City Development, Regulatory Services
Alan Beaton	Team Leader - People Safety & Wellbeing
Nicole Van Berkel	Corporate Accountant
Anthony Spartalis	Manager/Senior Business Partner Finance Planning & Reporting
Annette Pianezzola	Risk & Audit Analyst

Appendix 4 – Classification of Findings

The following framework for internal audit ratings is based on the City of Adelaide’s risk assessment matrix.

Rating	Definition	Examples of business impact	Action(s) required
Extreme/Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Detrimental impact on operations or functions. • Sustained, serious loss in reputation. • Going concern of the business becomes an issue. • Decrease in the public’s confidence in the CoA. • Serious decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with litigation or prosecution and/or penalty. • Life threatening. 	<ul style="list-style-type: none"> • Requires immediate notification to the CoA Audit Committee via the Presiding Member. • Requires immediate notification to CoA’s Chief Executive Officer. • Requires immediate action planning/remediation actions.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Major impact on operations or functions. • Serious diminution in reputation. • Probable decrease in the public’s confidence in the CoA. • Major decline in service/product delivery, value and/or quality recognised by stakeholders. • Contractual non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Extensive injuries. 	<ul style="list-style-type: none"> • Requires immediate CoA Director notification. • Requires prompt management action planning/remediation actions.

Appendix 4 – Classification of Findings

The following framework for internal audit ratings is based on the City of Adelaide’s risk assessment matrix.

Rating	Definition	Examples of business impact	Action(s) required
Moderate	Issue represents a control weakness, which could have or is having a moderate adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> Moderate impact on operations or functions. Reputation will be affected in the short term. Possible decrease in the public’s confidence in the CoA. Moderate decline in service/product delivery, value and/or quality recognised by stakeholders. Contractual non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. Medical treatment required. 	<ul style="list-style-type: none"> Requires CoA Director and/or Associate Director attention. Requires short-term management action.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> Minor impact on internal business only. Minor potential impact on reputation. Should not decrease the public’s confidence in the Council. Minimal decline in service/product delivery, value and/or quality recognised by stakeholders. Contractual non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. First aid treatment. 	<ul style="list-style-type: none"> Timeframe for action is subject to competing priorities and cost/benefit (i.e. 90 days).

Disclaimer

Inherent Limitations

This report has been prepared as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to the procedures we performed operate, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. The procedures performed were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed on the control procedures are on sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by City of Adelaide management and personnel consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

Third Party Reliance

This report is solely for the purpose set out in the Executive Summary of this report and for City of Adelaide's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This internal audit report has been prepared at the request of the City of Adelaide or its delegate in connection with our engagement to perform internal audit services. Other than our responsibility to City of Adelaide, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party, including but not limited to City of Adelaide's external auditor, on this internal audit report. Any reliance placed is that party's sole responsibility.

Electronic Distribution of Report

This KPMG report was produced solely for the use and benefit of City of Adelaide and cannot be relied on or distributed, in whole or in part, in any format by any other party. The report is dated November 2023 and KPMG accepts no liability for and has not undertaken work in respect of any event subsequent to that date which may affect the report.

Any redistribution of this report requires the prior written approval of KPMG and in any event is to be a complete and unaltered version of the report and accompanied only by such other materials as KPMG may agree.

Responsibility for the security of any electronic distribution of this report remains the responsibility of City of Adelaide and KPMG accepts no liability if the report is or has been altered in any way by any person.



Justin Jamieson
Partner

t: +61 402 380 169
e: jjamieson@kpmg.com.au

Heather Martens
Director

t: 08 8236 3273
e: hmartens@kpmg.com.au

Luke Heine
Director

t: 03 9288 6309
e: lukeheine@kpmg.com.au

[KPMG.com.au](https://www.kpmg.com.au)



©2024 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

Liability limited by a scheme approved under Professional Standards Legislation.

Document Classification: KPMG Confidential