

Post Audit Implementation Internal Audit

Wednesday, 15 May 2024

Audit and Risk Committee

Strategic Alignment – Our Corporation

Program Contact:

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Public

Approving Officer:

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EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA) an internal audit focusing on findings from previous audits was performed. Overall, thirty-three audit actions were assessed (fourteen of these were KPMG audits and nineteen were CoA internal audits).

The internal audit identified four high and two moderate risk-rated findings.

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

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 functions legally, effectively, and to advise how it can improve performance.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
 2. Endorses the responses of the Administration to the Post Audit Implementation Internal Audit Report as outlined in Attachment A to Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 15 May 2024.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Internal audit is an essential component of a good governance framework. It enables the Council to ensure it performs its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Internal audit is an essential component of a good governance framework. It is the mechanism 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 suggests a range of improvement opportunities related to the are being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 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
23/24 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 Post Audit Implementation Internal Audit was performed by City of Adelaide's (CoA) Risk and Audit Analyst, in accordance with the 2023-24 Internal Audit Plan. The report, along with management comments can be found in **Attachment A**.
2. The Post Audit Implementation review for 2024 focused on previous audit findings and how effectively actions and controls have been managed and implemented.

Report

3. This audit aligns with CoA's Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.
4. The review identified any gaps and / or delays in the implementation of associated actions, for all audits completed in the 2020-21 and 2021-22 financial years with a focus on those findings rated high (thirteen) and moderate (twenty).
5. A desktop review of each finding was conducted, with twenty-seven of the actions deemed to be satisfactorily completed and implemented. Six actions have been determined as incomplete.
6. The findings of the internal audit are indexed into the following risk ratings:

Report Title	Finding	Risk Rating
Project Management	Rigour in undertaking cost estimates prior to agreeing on funding and undertaking initial planning	High
Project Management	Amendments to governance structures to increase alignment with risk and complexity of projects	High
Software Asset Management	Lack of adequate oversight in contract monitoring	Moderate
Management of Leave Entitlements	Timesheets not completed or approved	High
Fleet Management and Fuel Cards	No formal induction provided to designated drivers or cardholders	High
Fleet Management and Fuel Cards	No formal safety checklist available for designated drivers	Moderate

7. Management has considered the findings and provided actions and time frames to address these findings, as detailed in **Attachment A**.

ATTACHMENTS

Attachment A – Post Audit Implementation Internal Audit

- END OF REPORT -