

INTERNAL AUDIT PLAN

2024-2025

June 2024

ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we are located on the traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.

DOCUMENT PROPERTIES

Contact for enquiries and proposed changes

If you have any questions regarding this document or if you have a suggestion for improvements, please contact:

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INTERNAL AUDIT PLAN

PURPOSE

The purpose of this document is to provide the City of Adelaide's (CoA) Executive and Strategic Risk and Internal Audit (SRIA) members and subsequently the CoA's Audit and Risk Committee (ARC) a proposed one-year Internal Audit (IA) Plan (Plan). The Plan has been presented to SRIA for endorsement prior to being submitted to the ARC for final review prior to implementation. The Plan relates to all areas of CoA including the subsidiaries.

A detailed project scope document will be developed prior to the commencement of individual projects. This is not a static document and the Plan will be reassessed periodically to recognise CoA's changing risks, controls and internal audit requirements. Regular risk monitoring and communication with Executive and SRIA will be undertaken to keep key stakeholders informed of any potential changes to organisational risk profiles and facilitate the on-going alignment of IA activities with organisational objectives. IA is reported monthly to SRIA which includes new scopes, outcomes and a report on current or outstanding actions.

WHY HAVE AUDITS BEEN SELECTED?

The intention of the audits detailed in the Plan are aligned to deliver value within CoA's context of its values, culture, customer service objective and Strategic Plan. The internal audits have been selected not to enable disciplinary action but rather as genuine opportunities in these areas to deliver value and as a mechanism to help improve the likelihood of success.

It is envisaged that these internal audit projects, which are oriented towards opportunities to enhance Council services and the internal organisation's services, will assist to contribute to achievement of strategic objectives, improving the risk culture at CoA and overall, assist CoA to deliver a better experience for the people living and working in the City of Adelaide.

The Plan for 24/25 includes a number of audits that can be facilitated utilising existing in-house CoA resources. External providers will be utilised for strategic and compliance audits where specialised skills and expertise are required.

Internal audits have been categorised as:

- Operational
- Strategic
- Compliance

Audits are identified to assist in mitigating CoA strategic risks which are outlined in the table below.

TYPE OF AUDIT

Three types of Audits	
Operational	To review the robustness of systems, policies and processes
Strategic	To provide an independent examination of the strategic objective a program, function, operation or the management systems and procedures of council to assess whether the administration is achieving value for money, efficiency and effectiveness
Compliance	To provide comfort that contractual or legislative / regulatory obligations are being met.

CoA STRATEGIC RISK REGISTER

Strategic risk	Risk description
Financial Sustainability	Council financial settings are not sustainable in the long term.
Cyber Security	Cyber security vulnerability exposes the CoA to data breaches and system compromises, risking sensitive information and operation disruption.
Asset and Infrastructure Risks	Ineffective asset and infrastructure planning, systems, and programs or insufficient funding available.
Business Resilience	The risk of disruptions to essential services and operations due to unforeseen events, threatening the CoA's ability to safeguard its personnel, assets, maintain service continuity and meet community needs.
Climate Change Adaption & Vulnerability	Impact of changing climate conditions and an increase in extreme weather events presents a risk to Council, community, infrastructure and natural environment.
Statutory and Regulatory Risk	Non-compliance with statutory and regulatory requirements poses legal, financial, and reputational risks to the organisation.
Reputational Risk	Negative reputation and public perception of Council.
Human Resource Management	Risk of Human Resource Management and Health & Safety Compliance.
Ineffective Governance	Ineffective governance leading to operational inefficiencies, legal liabilities and reputational damage.
Lack of fit for purpose IT systems and Data Governance	Inadequate IT systems and data governance endanger operational efficiency and data integrity, while increasing susceptibility to security breaches and regulatory non-compliance.

INTERNAL AUDITS PREVIOUSLY UNDERTAKEN

2023 / 2024	2022 / 2023	2021 / 2022	2020 / 2021
Grants Management	Asset Inspection	NA Golf Course Financial Processes	Record Keeping
Review of Climate Change Action Plan	Essential Eight Maturity Model	Planning Development and Infrastructure Act 2016 Implementation	Management of Leave
Community Safety	Volunteer Management	Fleet Management and Fuel Cards	Software Licence Review
Strategic Property Review	ACMA Financial Processes	Payroll and Remuneration	Employee Gifts and Benefits
Project Health Check	Workforce Planning and Staff Retention	PCI Compliance	PCI Compliance
Mercer Review	Cab Charges, Ride Shares and Pool Cars	Record Keeping	Training and Development Internal Processes
Emergency Management	Legislative Compliance	Post Audit Implementation	Project Management Review
Lease Management	Record Keeping		Legislative Compliance Framework
Culture Survey	PCI Compliance		Post Audit Implementation
Data Protection and Privacy			
Contract Management			
Penetration Testing			
PCI Compliance			
Legislative Compliance			
Post Audit Implementation			
Record Keeping			

PROPOSED INTERNAL AUDITS FOR 2024/25

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Fraud Prevention	Ineffective Governance Moderate	All	Strategic	Provider	July 2024

The objective of this audit is to evaluate and report on:

- The CoA's Fraud Prevention and Control Framework.
- Assessment of the risk relevant to the systems and processes of payment of council funds.
- Assessment of the design and operating effectiveness for a sample of internal controls.
- Appropriateness of the CoA's fraud prevention training and awareness for staff.

This audit will assist in mitigating the Ineffective Governance risks as outcomes will ensure that the appropriate measures are in the place for monitoring and evaluation of existing corporate governance practices. Ineffective Governance is currently rated as high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Archives	Statutory and Regulatory Moderate	Corporate Services	Compliance	In-house	August 2024

This audit will review the processes and practices of the Archive function. It will cover how the organisation manages record-keeping practices in line with legislative requirements, in particular how records are maintained, retention periods and disposal practices.

This audit will assist in mitigating the Statutory and Regulatory risk and will determine whether appropriate governance structures, policies and processes are in place to ensure Council is meeting its legislative requirements. Statutory and Regulatory risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Waste Management	Financial Sustainability High	City Services	Strategic	Provider	September 2024

Review of models utilised across the Council for delivery of waste management services to identify gaps and opportunities. Assessment of the extent to which waste management activities are being managed economically and efficiently, supported by an adequate governance and accountability framework.

This audit will assist in mitigating the Financial Sustainability risk as the outcomes of the audit will provide information to help support the strategic project that will occur later in the financial year by identifying gaps and opportunities. Financial Sustainability is currently rated as an extreme inherent risk and high residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Penalty & Infringement Compliance	Statutory and Regulatory Moderate	Corporate Services City Shaping	Compliance	In-house	October 2024

Assessment of the compliance, through sample testing of Council issued penalties and infringement notices under the various relevant Acts with a particular focus on cancelled or amended infringement notices. Delegations of Authority, segregation of duties and conflict of interests will also be considered as part of this project.

This audit will assist in mitigating the Statutory and Regulatory risk as the outcomes of the audit will ensure that CoA is complying with the relevant legislation, processes and procedures. Statutory and Regulatory risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Legislative Compliance	Statutory and Regulatory Moderate	All	Compliance	In-house	November 2024

On-going assessment of CoA's legislative compliance work plan, auditing one Act at a time with actions monitored and managed in Promapp. This audit will perform a review of legislation and identify any gaps that CoA is not adhering to, to ensure that compliance is maintained at all times.

This audit will assist in mitigating the Statutory and Regulatory risk as outcomes will ensure compliance with Council's policies and legislative requirements while delivering CoA services to the community. Statutory and Regulatory risk is currently rated as high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
TechOne Post Upgrade Implementation Review	Lack of fit for purpose IT Systems & Data Governance High	Corporate Services	Strategic	Provider	November 2024

The objective of this review will be to assess the effectiveness of the implementation of a recently implemented IT system by performing a post-implementation review (PIR) of the Project. Key areas of focus will include project management governance and arrangements put in place, delivery of project benefits and a focus on lessons learned.

This audit will assist in mitigating the Lack of fit for purpose IT Systems & Data Governance risks as outcomes will ensure that the key components of project management governance in the implementation of IT systems are effective and the IT system is fit for purpose. Lack of fit for purpose IT Systems and Data Governance is currently rated as an extreme inherent risk and high residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
PCI Compliance	Cyber Security High	Corporate Services	Compliance	Provider	November 2024

CoA requires an annual review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). The 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. The audit is required once a year.

This audit will assist in mitigating the Cyber Security risk as the outcomes of the annual audit will ensure that CoA is adhering to the Visa/Mastercard requirements in relation to customer credit card information. Cyber Security risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Penetration Testing	Cyber Security High	Corporate Services	Compliance	Provider	November 2024

The objective of this testing is to identify weaknesses within the CoA internal network on an ongoing basis. This testing is linked with the PCI Compliance annual review to be performed in November. This audit is required once a year.

This audit will assist in mitigating the Cyber Security risk as the outcomes of the annual audit will ensure that CoA is adhering to the Visa/Mastercard requirements in relation to customer credit card information. Cyber Security is currently rated as an extreme inherent risk and moderate residual risk on Council's Strategic Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Councillor Expenses	Statutory and Regulatory Moderate	Corporate Services	Compliance	In-house	February 2025

This internal audit will review the end-to-end processes of council member expenses in line with legislative requirements, including documentation, approval and reporting.

This audit will assist in mitigating the Statutory and Regulatory risk as the outcomes will assist in ensuring relevant practices are in place in line with legislative requirements. Statutory and Regulatory risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Site Contamination	Statutory and Regulatory Moderate	City Shaping City Services	Compliance	Provider	February 2025

The objective of the internal audit of on-site contamination for the CoA is to evaluate the effectiveness and efficiency of the processes in place for identifying, managing and remediating contaminated sites. This will include a review of key strategic documents, including Council's plans to manage and report on environmental metrics.

This audit will assist in mitigating the Statutory and Regulatory risk as the outcomes will provide reassurance of the current practices in identifying, managing and remediating contaminated sites in line with legislative requirements. Statutory and Regulatory risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
On Street Parking Review	Statutory and Regulatory Moderate	City Services	Operational	In-house	April 2025

Assessment of the operating effectiveness of key controls over this revenue source to ensure all relevant revenue is being collected and any revenue adjustments are appropriate. Testing the operating effectiveness of these controls and perform compliance testing.

This audit will assist in mitigating the Statutory and Regulatory risk as the outcomes of the review will confirm the effectiveness of the controls. Statutory and Regulator risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
UPark Operations Review	Statutory and Regulatory Moderate	City Services	Operational	Provider	April 2025

This review will include an assessment of the effectiveness of the UPark operations, including governance, financial management and performance, people, technology and monitoring and reporting arrangements.

This audit will assist in mitigating the Statutory and Regulatory risk as the outcomes of the review will confirm the effectiveness of the operations. Statutory and Regulatory risk is currently rated as a high inherent risk and moderate residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
IT Governance Framework	Lack of fit for purpose IT Systems and Data Governance High	Corporate Services	Strategic	Provider	May 2025

This internal audit will include an assessment of the CoA's IT governance framework and policies against business needs and better practice for the following areas:

- IT Governance Structure and Framework – review of the current governance structure of the IT function, including relevant roles, responsibilities and associated policies and procedures.
- IT Strategy – review of the CoA's IT Strategy to consider the alignment to the organisational strategy, business objectives and needs and better practice.
- Resourcing – assessment of the current structure and capacity to support relative to roles, responsibilities and capabilities required given the proposed rollout of the CoA's Digital Strategy (IT Roadmap)
- Change Management – consideration of current practices over change management procedures, including policy changes, update, resource management and system changes.

This audit will assist in mitigating the Lack of fit for purpose IT Systems and Data Governance risks as the outcomes of the review will provide reassurance that relevant governance frameworks are in place. Lack of fit for purpose IT Systems and Data Governance is currently rated as an extreme inherent risk and high residual risk on Council's Strategic Risk Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house / provider	Commencement Date
Record Keeping	Statutory and Regulatory Moderate	Corporate Services	Compliance	In-house	May 2025

This internal audit is performed annually arises as a result of a recommendation by the ICAC Commissioner. A random check on record-keeping by sampling a selection of staff from each portfolio will be performed. This audit will be developed and facilitated in conjunction with Information Management as per requirements in the Record Keeping Operating Guideline.

This audit will assist in mitigating the Statutory and Regulatory risk as outcomes will ensure that CoA employees are adhering to the Records Management Operating Guideline and the State Records Act 1997. Statutory and Regulatory risk is currently rated as high inherent risk and moderate residual risk on Council's Strategic Risk Register.