

Legislative Compliance Review Internal Audit

Friday, 14 June 2024
Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:
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Public

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EXECUTIVE SUMMARY

Each year the City of Adelaide (CoA) includes a Legislative Compliance audit in its Internal Audit Plan. Each year, different pieces of legislation are selected from the list of Acts with which Council must comply, and a review is performed that focuses on Council's compliance with that legislation.

This year, the audit focused on the *Local Government Act 1999 (SA)* and the *City of Adelaide Act 1998*.

The internal audit identified four high risk-rated findings.

The Internal Audit Plan has been developed in consideration of Council's key strategic risks and critical priorities. This audit aligns with CoA's Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.

Internal audit is an essential component of a good governance framework. It is the mechanism that assures Council 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.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 14 June 2024.
 2. Endorses the responses of the Administration to the Legislative Compliance Review Internal Audit as outlined in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 14 June 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 assures Council that internal controls and risk management approaches are effective, that it is performing its functions legally and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggests a range of improvement opportunities related to the area 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 Legislative Compliance Review Internal Audit was performed by City of Adelaide (CoA) Risk and Audit Analyst and the Corporate Governance Advisor, in accordance with the 2023-24 Internal Audit Plan. The report, along with administrative comments can be found in **Attachment A**.
2. The Legislative Compliance Review for 2024 focused on the ongoing assessment of CoA’s legislative compliance work plan, auditing one Act at a time.

Report

3. This audit aligns with CoA’s Strategic Risk – Compliance: Non-compliance of Council policies and legislative requirements.
4. The review focused on two Acts:
 - 4.1. *Local Government Act 1999 (SA)*
 - 4.2. *City of Adelaide Act 1998*
5. A desktop review of each section of the Acts was conducted in consultation with the relevant key stakeholders.
6. The findings of the internal audit are indexed into the following categories:

Act	Total Reviewed	Compliant	Exceptions Noted
Local Government Act 1999 (SA)	214	210	4
City of Adelaide Act 1998	9	9	-

7. During the review, four sections of the *Local Government Act 1999 (SA)* were identified as ‘exceptions noted’ in which improvements can be implemented, they are:

Section of Act	Requirement of the Act	Testing Methodology	Findings
Section 172(4) (5)	Suppression of names and addresses from the assessment record have been done in accordance with these subsections	Details of the procedure observed by the Council for the suppression of information regarding a ratepayer from the Assessment Record	Currently just in job description tasks no formal process document
Section 173 (2)	The Chief Executive Officer has determined the manner and form for application to alter the assessment record	Details of the procedure observed by the Council for alterations to the Assessment Record	Currently just in job description tasks no formal process document
Section 173 (5)	The Council has determined a procedure for the review of decisions under this section.	As Above	Currently just in job description tasks no formal process document
Section 174 (3)	A person who inspects the record is advised that the information contained in the record must not be used for a commercial purpose	As Above	When a person inspects the record they are informed not to use for a commercial purpose. The folder with the assessment record should contain these conditions when inspecting the record.

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

ATTACHMENTS

Attachment A – Legislative Compliance Review Internal Audit

- END OF REPORT -