

Culture Survey Review - KPMG

Friday, 8 November 2024

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

Kathryn Goldy, Acting Manager
Governance

Public

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

In accordance with the 2023-24 Internal Audit Plan for the City of Adelaide (CoA), an internal audit was performed to assess the efficacy of the CoA's Culture Surveys and review the CoA's progress in implementing previously identified cultural improvement actions.

This audit aligns with the Strategic Risk – Organisational Culture: Poor organisational culture.

The internal audit identified five findings. Two are risk-rated High and two are risk-rated Moderate. One Improvement Opportunity was identified.

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

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Culture Survey Review Internal Audit report provided as Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
 2. Endorses the response of the Administration to the Culture Survey Review Internal Audit report as outlined in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 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 Council to ensure it is performing 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 which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, and effectively, and to advise how it can improve performance.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
24/25 Budget Allocation	\$250,000 is budgeted for external consultancy support as required by the 2024/25 internal audit program. The KPMG report (Attachment A) cost \$25,000 from the 2023/24 budget.
Proposed 25/26 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
24/25 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 Culture Survey Review was performed by KPMG, in accordance with the 2023-24 Internal Audit Plan.

Report

2. This audit aligns with the City of Adelaide (CoA) Strategic Risk – Organisational Culture: Poor organisational culture.
3. The Culture Survey Review Internal Audit focussed on the efficacy of the CoA’s Culture Surveys and review of the CoA’s progress in implementing previously identified cultural improvement actions. This included evaluating the CoA’s ability to analyse survey results and translate these into effective culture improvement actions as well as assessing leadership accountability regarding culture and implementing culture initiatives.
4. The objective of the Culture Survey Review Internal Audit included the following:
 - 4.1. Review of the structure, content and frequency of the Culture Survey.
 - 4.2. Review the effectiveness of survey results analysis, communication of survey results and the ability to translate survey results into cultural improvement actions.
 - 4.3. Review the accountability mechanisms in place to execute identified cultural improvement actions.
 - 4.4. Review leadership’s perception of their roles and accountabilities regarding culture and culture initiatives.
 - 4.5. Consideration of the CoA’s assessment of cultural improvement action timeframes.
 - 4.6. Identify gaps and challenges in the CoA’s execution and assessment of cultural improvement actions.
5. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Communication of survey results and culture improvement actions	High
Staff confidence in the culture survey process requires strengthening	High
Accountability mechanisms for the execution of culture improvement actions	Moderate
Leadership accountability regarding culture improvement action plans	Moderate
Structure, content and frequency of Culture Surveys requires improvements	Improvement Opportunity

6. Administration has considered the findings and provided actions and time frames to address them, outlined in the findings section of KPMG’s Culture Survey Review (Attachment A).
7. Management action to Finding 1 to the Culture Survey Review with a due date of 30 October 2024 has been completed.
8. Management action 1, 2 and 3 to Finding 2 to the Culture Survey Review with a due date of 31 August 2024 has been completed.
9. Management action 1 and 2 to Finding 3 to the Culture Survey Review with a due date of 30 October 2024 has been completed.
10. Management action 1, 2 and 3 to Finding 4 to the Culture Survey Review with a due date of 31 August 2024 has been approved by the Chief Executive Officer for an extension to 31 December 2024. Management action 4 to this finding has been completed.
11. Management action 1 to PIO 1 to the Culture Survey Review with a due date of 31 August 2024 has been completed.

ATTACHMENTS

Attachment A – Culture Survey Review

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