

# Electric Vehicles Transition for Workshop Operations Internal Audit - KPMG

Friday, 11 April 2025  
Audit and Risk Committee

Strategic Alignment - Our Corporation

**Program Contact:**  
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## EXECUTIVE SUMMARY

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.

The 2024-2025 Internal Audit Plan (the Plan) for the City of Adelaide (CoA) has been developed in consideration of Council's key strategic risks and critical priorities.

In accordance with the Plan an internal audit was performed to review CoA's assessment of workshop operations and identification of areas that may require adjustment to enable and to support a predominately EV-based fleet by 2030.

The audit best aligns with the Strategic Risk – Assets and Infrastructure Risks: Ineffective asset and infrastructure planning, systems, and programs are insufficient funding available.

The internal audit identified seven findings. Four are risk-rated Moderate and one risk-rated Low. Two Improvement Opportunities were identified.

This report requests that the Audit and Risk Committee note the report and endorse the administration responses.

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## RECOMMENDATION

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Electric Vehicles Transition for Workshop Operations Internal Audit report provided as Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 11 April 2025.
  2. Endorses the responses of the Administration to the Electric Vehicles Transition for Workshops Operations Internal Audit report as outlined in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 11 April 2025.
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## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<b>Strategic Alignment – Our Corporation</b> 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	The KPMG internal audit report has been presented to SRIA
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 on compliance, risk management and improvement opportunities. 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.
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 Electric Vehicles Transition for Workshop Operations Internal Audit was performed by KPMG, in accordance with the 2024-25 Internal Audit Plan.

## Report

2. This audit aligns with the City of Adelaide (CoA) Strategic Risk – Assets and Infrastructure Risks: Ineffective asset and infrastructure planning, systems, and programs are insufficient funding available.
3. The Electric Vehicles Transition for Workshop Operations Internal Audit focused on a high-level assessment of workshop operations and identification of areas that may require adjustment to enable and to support a predominately EV-based fleet by 2030.
4. The objective of the Electric Vehicles Transition for Workshop Operations Internal Audit included the following:
  - 4.1. Understanding of CoA’s current resourcing structure for workshop operations and consideration of relevant strategic plans that may impact future resourcing requirements for the workshop.
  - 4.2. Performing a high-level assessment of the following areas of workshop operations, and commenting on adjustments required to support a predominately EV fleet by 2030:
    - 4.2.1. Current staff qualifications and necessary training.
    - 4.2.2. The physical facility’s capabilities and modifications needed, including electrical power needs, battery handling and disposal and fire suppression and safety.
    - 4.2.3. Evaluation of support and testing equipment to ensure compatibility with EV requirements.
    - 4.2.4. Review of tasks currently conducted within the workshop to identify potential changes or upgrades.
  - 4.3. The clarity of roles, responsibilities and accountabilities within workshop operations.
  - 4.4. Approval processes and key controls for workshop expenses, including adherence to delegated authorities.
  - 4.5. Conducting a high-level assessment to understand key pain points and opportunities for improvement to workshop operations.
5. The findings of the internal audit are indexed into the following risk ratings:

Finding	Risk Rating
Investment in current workshop capabilities is required to support the transition to EV	Moderate
Further work is required to adequately cost and plan the CoA’s EV transition	Moderate
The CoA’s workshop policies and procedures will require review and updating to support the EV transition	Moderate
Workshop safety processes require review to ensure sound maintenance practices	Moderate
Data-driven decision making is limited	Low
Scope of workshop activities require strategic review	Improvement Opportunity
Procurement and spending on consumables requires additional transparency	Improvement Opportunity

6. The four moderate findings from the Internal Audit and the agreed management comments are listed below:

Finding 1: Investment in current workshop capabilities is required to support the transition to EV	1, 2 & 3. Work has already commenced in addressing this recommendation. This includes the January talent mapping session, where mapping has commenced on reviewing the skills gaps and structure gaps in the workshop that will allow for a
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	<p>gradual increase in EV upskilled technicians. It is already considered that the transition will need to match the pace of the uptake of EVs – Key team members will be required to undertake additional training (Certificate III in Automotive Electric Vehicle Technology) to be fully qualified.</p> <p>This training is upwards of \$27,000 per person. Careful consideration will need to be given to internal employees that are put through this training. It has already been discussed that any roles becoming available through attrition will be reconsidered as an option to on-board already qualified technicians. Risks exist, current rates of pay are comparatively low when compared to our competitors in the job market.</p>
<p>Finding 2: Further work is required to adequately cost and plan the CoA's EV transition</p>	<ol style="list-style-type: none"> <li>1. Agree to develop an implementation plan which will guide the CoA's transition to an EV fleet across multiple departments. However, at the time of the development of these actions, the CoA is out to market to assist in the development of an Asset Management Plan for Fleet (AMP) which is a key required input for the implementation plan.</li> <li>2. The CoA's current approach to funding renewals and upgrades needs to be explored. A determination will need to be made if additional renewal money can be accessed to address the likely funding gap between the cost of internal combustion engines (ICE) and the comparable EV vehicle. This will be addressed in key documents such as the Fleet AMP and the Fixed Asset Accounting Guidelines. This also needs to be considered alongside the overall EV implementation plan and likely staged procurement and gradual transition to an EV fleet</li> </ol>
<p>Finding 3: The CoA's workshop policies and procedures will require review and updating to support the EV transition</p>	<ol style="list-style-type: none"> <li>1. The CoA will undertake a first pass review of all relevant and associated quality documentation. Gaps will be identified that exist which relate to the EV fleet gaps and will be closed with support from key stakeholders, including Work Group Leaders, Health and Safety Representatives, and the Risk Team. Current procurement processes which exist will be reviewed and updated to ensure that there are checks to ensure all relevant documentation is developed prior to acceptance of new fleets into service.</li> <li>2. The workshop assets will be included within the scope of the Fleet AMP.</li> </ol>
<p>Finding 4: Workshop safety processes require review to ensure sound maintenance practices</p>	<ol style="list-style-type: none"> <li>1. Toolbox meetings will be conducted to provide training and guidance on how to report and escalate any issues that may arise from time to time. This training will include obligations for reporting of incidents and near misses</li> </ol>

	<p>2. 2 &amp; 3. Work has commenced on a review of how work flows into, through and out to the team. This includes a review of the current team structure and potential 3-month trial of an additional Leading Hand to provide greater support to technicians with the intent to:</p> <ul style="list-style-type: none"> <li>• Give a more contemporary staff to leader ratio to improve utilisation of corporate systems such as Assetic.</li> <li>• Improve quality of checks and balances.</li> <li>• Deepen the structure of the team and increase CoA inherent knowledge</li> <li>• Currently, baseline analysis is being undertaken to review current levels and quality of data collection and utilisation of Assetic including utilisation of Preventative Maintenance Schedules and minimum reporting requirements for warranty and reporting purposes. Further, collection of current levels of electronic time-sheeting and understanding current customer satisfaction levels. It is expected that a 3-month trial would see improvements in all metrics being measured, therefore improving quality and safety outcomes in line with this recommendation.</li> </ul>
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7. Administration has considered the findings and provided actions and time frames to address these findings (outlined in the findings section of KPMG’s Electric Vehicles Transition for Workshop Operations Internal Audit report, **Attachment A**).
8. Management action 1 Finding 4 to the Electric Vehicles Transition for Workshop Operations Internal Audit, which was due on 1 March 2025, has been completed.

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## ATTACHMENTS

**Attachment A** – Electric Vehicles Transition for Workshop Operations Internal Audit

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