Internal Audit Progress Report

Strategic Alignment - Our Corporation

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Public

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EXECUTIVE SUMMARY

This report provides an update on Council's Internal Audit Plan, outlining the findings and recommendations of internal audits completed, and the progress of any agreed actions. The Audit and Risk Committee (ARC) last received an Internal Audit Progress Report at its meeting in May 2025.

In addition to providing an update on the progress of the Internal Audit Plan 2024–2025, the report also details the Council's current Internal Audit Actions. Details contained in the report and associated links include information about:

- Internal Audit Actions that have been completed since the last Internal Audit Progress report to ARC in May 2025;
- Extensions granted by the Chief Executive Officer for the completion date of Internal Audit Actions;
- The number and status of Overdue Actions; and
- A summary of the status of all Internal Audit Actions.

Thirty actions have been completed since May 2025.

Currently, there are forty-six open actions, of which forty are in progress, and six are overdue.

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

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as contained in Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.

2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 14 November 2025.

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 is a mechanism that enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively and efficiently, and to advise how it can improve performance.
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	Delays in completing internal audit actions can expose an organisation to operational, financial, compliance, and reputational risks by allowing control weaknesses to persist. It can also undermine accountability, damage stakeholder confidence, and negatively impact organisational culture.
Opportunities	Internal audit focuses largely on compliance, risk management and improvement opportunities. As such audits suggest a range of improvement opportunities related to an area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
25/26 Budget Allocation	$250,000 is budgeted for external consultancy support in accordance with the 2025-26 internal audit program.
Proposed 26/27 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
25/26 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 role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal controls processes are operating effectively.

2. The Audit and Risk Committee (ARC) receives all Internal Audit reports. It reviews and monitors Council's responsiveness to findings and recommendations of the Internal Auditor, other external providers and in-house advice.

Internal Audit Plan Update

3. The Internal Audit Plan (the Plan) is a risk-based program developed with the Council's Executive and Strategic Risk and Internal Audit Group (SRIA). A status update on the 2024-2025 plan is provided at LINK 1.

4. Since the ARC met in May 2025, three internal audit reviews have been completed:

   4.1. Council Administration Expenses

   4.2. Paid Parking Review

   4.3. Record Keeping

Internal Audit Actions

5. Recommendations arising from the Internal Audit and Strategic Reviews are reported to SRIA.

6. Recommendations and agreed actions, responsibilities and timeframes for implementation are recorded in the Council's process mapping and management software, Process Manager.

7. The implementation status of recommendations is tracked and reported to ARC.

8. **Completed Actions**

   8.1. Thirty internal audit recommendations from previous Audits have been completed since May 2025, including four overdue actions, being:

No	Internal Audit ID	Audit Title
1	I00680	Asset Inspection
2	I00800	Community Safety
3	I00811	Community Safety
4	I00814	Project Health Check
5	I00845	Local Government Security Framework
6	I00850	Emergency Management
7	I00852	Emergency Management
8	I00855	Legislative Compliance 2024
9	I00861	Data Protection and Privacy
10	I00862	Data Protection and Privacy
11	I00864	Data Protection and Privacy
12	I00867	Data Protection and Privacy
13	I00876	Internal Network Penetration and Segregation Test
14	I00877	Internal Network Penetration and Segregation Test
15	I00880	Internal Network Penetration and Segregation Test
16	I00881	Internal Network Penetration and Segregation Test
17	I00882	Internal Network Penetration and Segregation Test
18	I00911	Lease Management

19	I00917	Fraud Prevention
20	I00924	Archives
21	I00933	Penalty and Infringement Compliance
22	I00836	Penalty and Infringement Compliance
23	I00947	Electric Vehicles Transition for Workshop Operations
24	I00949	Electric Vehicles Transition for Workshop Operations
25	I00950	Electric Vehicles Transition for Workshop Operations
26	I00956	TechnologyOne Post Implementation Review
27	I00971	Legislative Compliance 2025
28	I00972	Legislative Compliance 2025
29	I00976	Paid Parking Review
30	I00982	Record Keeping 2025

8.2. All completed recommendations are detailed in LINK 2.

8.3. Forty-six recommendations are in progress.

9. **Extensions**

9.1. All requests for an extension of a due date for completion of an Internal Audit Action require the approval of the Chief Executive Officer. This process ensures that there is appropriate accountability before an extension is granted.

9.2. Since the last report to ARC in May 2025, six actions have been approved for an extension. Those actions and the rationale for their extensions are detailed in LINK 3.

10. **Overdue Actions**

10.1. One additional action has become overdue since the last update to ARC. New overdue actions are detailed in LINK 4

10.2. Eight overdue actions have been completed since May 2025, being:

No	Internal Audit ID	Audit Title
1	I00680	Asset Inspection
2	I00800	Community Safety
3	I00811	Community Safety
4	I00845	Local Government Security Framework
5	I00855	Legislative Compliance
6	I00861	Data Protection and Privacy
7	I00862	Data Protection and Privacy
8	I00867	Data Protection and Privacy

11. Overdue actions are linked to the following internal audits:

11.1. Asset Inspection – one overdue action that is now proposed to be completed by 30 June 2026.

11.2. Review of the Adelaide Economic Development Agency – one overdue action that is now proposed to be completed by 31 December 2025.

11.3. Post Audit Implementation Review – three overdue actions that are now proposed to be completed by 31 December 2025 and 30 June 2026, respectively.

11.4. Local Government Security Framework – two overdue actions that are now proposed to be completed by 31 December 2025 and 28 February 2026, respectively.

11.5. Data Protection and Privacy – one overdue action that is proposed to be completed by 28 February 2026.

12. The status of all overdue actions is provided in LINK 5.

13. A summary of the status of actions is shown in the below table, with the Agreed Action Progress Report accessed via LINK 6.

Risk	Definition	Complete	Overdue	In Progress	Total Open
High	Issues represent a control weakness which could have or is having major adverse effect on the ability to achieve project objectives.	5	4	7	11
Moderate	Issues represent a control weakness which could have or is having a moderate effect on the ability to achieve project objectives.	12	1	14	15
Low	Issues represent a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives.	10	1	10	11
N/A	Improvement Opportunity	3	0	9	9
	Total	**30**	**6**	**40**	**46**

DATA AND SUPPORTING INFORMATION

Link 1 – Internal Audit Plan 2024-2025 Status Update

Link 2 – Completed recommendations

Link 3 – Internal Audits approved for extension

Link 4 – Overdue actions

Link 5 – Status of overdue actions

Link 6 – Agreed Actions Progress Report

ATTACHMENTS

Nil

- END OF REPORT -