

# Recommendations of the Audit and Risk Committee - 6 February 2026

Tuesday, 24 February 2026  
Council

Strategic Alignment - Our Corporation

**Program Contact:**  
Rebecca Hayes, Associate  
Director Governance & Strategy

Public

**Approving Officer:**  
Anthony Spartalis, Chief  
Operating Officer

## EXECUTIVE SUMMARY

The Audit and Risk Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its Terms of Reference. The Committee acts to facilitate informed decision making in relation to the discharge of Council's legislative responsibilities and duties.

The Audit and Risk Committee is required to report to Council after every meeting.

This report presents the outcomes of the Audit and Risk Committee meeting of 6 February 2026 ([Link 1](#)).

The Audit and Risk Committee resolved to present recommendations and advice on the following matters to Council for Council determination:

- 2025-26 End of Year Financial Reporting Process & External Timetable
- 2025/26 Business Plan & Budget Q2 update

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## RECOMMENDATION

1. **Recommendation 1** – Item 6.1 – 2025-26 End of Year Financial Reporting Process & External Timetable  
THAT COUNCIL
  1. Notes the endorsement by the Audit and Risk Committee that the External Audit Plan, as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
  2. Approves the proposed 2025-26 End of Year Financial Reporting process and External Audit Timetable as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  3. Notes the External Auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2026 as detailed in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  4. Approves the External Audit Letter of Engagement as contained in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.
2. **Recommendation 2** – Item 6.5 – 2025/26 Business Plan & Budget Q2 update  
THAT COUNCIL
  1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 2 update as contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

2. Approves adjustments for the 2025/26 Business Plan and Budget (BP&B) as identified in this report and contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held 6 February 2026.
  3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2025, which includes:
    - 3.1. An operating surplus of \$12.515m (\$6.468m higher than the budget of \$6.047m, for the period)
    - 3.2. Total operating revenue of \$128.712m (\$1.667m higher than the budget of \$127.045m, for the period)
    - 3.3. Total operating expenses (including depreciation) of \$116.197m (\$4.801m lower than the budget of \$120.998m, for the period)
    - 3.4. Total Capital Expenditure of \$33.516m (\$0.122m lower than the budget of \$33.638m, for the period)
    - 3.5. Net cash surplus position of \$9.803m.
  4. Approves budgeted year end Operating Position, which includes:
    - 4.1. An operating surplus of \$8.541m (consistent with the adopted budget of \$8.541m)
    - 4.2. Total operating revenue of \$253.282m (\$1.711m higher than the adopted budget of \$251.571m)
    - 4.3. Total operating expenses (including depreciation) of \$244.741m (\$1.711m higher than the Q1 budget of \$243.030m).
  5. Approves total capital expenditure of \$120.663m for 2025/26 year (\$1.630m lower than the Q1 budget of \$122.293m).
  6. Approves total borrowings of \$50.677m projected to 30 June 2026 (\$1.141m lower than the Q1 projected borrowings of \$51.818m to 30 June 2026).
  7. Receives the Council Subsidiary Quarter 2 updates as contained as Attachments B, C, D and E to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
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# DISCUSSION

1. The Audit and Risk Committee met on Friday, 6 February 2026 and considered the following items:
  - 1.1. 2025-26 End of Year Financial Reporting Process & External Timetable
  - 1.2. Internal Audit Scopes
  - 1.3. 2026 Audit and Risk Committee Work Plan
  - 1.4. 2026/27 BP&B – priorities, parameters, assumptions and current position
  - 1.5. 2025/26 Business Plan & Budget Q2 Review
  - 1.6. Unsolicited Proposals Policy and Guideline
  - 1.7. Internal Audit Progress Report
  - 1.8. Confidential - Activity of Strategic Risk and Internal Audit Group [S90(3) (i)]
2. The public component of the Agenda with reports for the meeting can be viewed at [Link 1](#).
3. Where the resolution of the Committee differs from the recommendation published in the Committee agenda, the Committee's recommendation to the Council is listed first, with the original recommendation provided in grey and italics.

## Resolutions of the Committee

4. Item 6.1 - 2025-26 End of Year Financial Reporting Process & External Timetable  
THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL  
THAT COUNCIL
  1. Notes the endorsement by the Audit and Risk Committee that the External Audit Plan, as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
  2. Approves the proposed 2025-26 End of Year Financial Reporting process and External Audit Timetable as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  3. Notes the External Auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2026 as detailed in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  4. Approves the External Audit Letter of Engagement as contained in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.
5. Item 6.2 - Internal Audit Scopes  
THAT THE AUDIT AND RISK COMMITTEE
  1. Notes the Legislative Compliance Review Internal Audit scope as contained in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  2. Notes the Strategic Risk Assessment and Alignment Internal Audit scope as contained in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  3. Notes the Strategic Planning, Governance and Organisational Reporting Internal Audit scope as contained in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

*Original Recommendation as printed in the Audit and Risk Committee Agenda*

### THAT THE AUDIT AND RISK COMMITTEE

1. *Notes the Legislative Compliance Review Internal Audit scope as contained in Attachment A to Item 6.2 on the agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:*

1.1. \_\_\_\_\_

1.2. \_\_\_\_\_

2. *Notes the Strategic Risk Assessment and Alignment Internal Audit scope as contained in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:*

2.1. \_\_\_\_\_

2.2. \_\_\_\_\_

3. *Notes the Strategic Planning, Governance and Organisational Reporting Internal Audit scope as contained in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 and provides the following feedback:*

3.1. \_\_\_\_\_

3.2. \_\_\_\_\_

6. Item 6.3 – 2026 Audit and Risk Committee Work Plan

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the Audit and Risk Committee work plan proposed for 2026 as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, to guide Audit and Risk Committee activity during 2026.

7. Item 6.4 – 2026/27 BP&B - priorities, parameters, assumptions and current position

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 2026/27 BP&B – priorities, parameters, assumptions and current position presentation.

8. Item 6.5 – 2025/26 Business Plan & Budget Q2 update

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 2 update as contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
2. Approves adjustments for the 2025/26 Business Plan and Budget (BP&B) as identified in this report and contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held 6 February 2026.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2025, which includes:
  - 3.1. An operating surplus of \$12.515m (\$6.468m higher than the budget of \$6.047m, for the period)
  - 3.2. Total operating revenue of \$128.712m (\$1.667m higher than the budget of \$127.045m, for the period)
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4. Approves budgeted year end Operating Position, which includes:
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5. Approves total capital expenditure of \$120.663m for 2025/26 year (\$1.630m lower than the Q1 budget of \$122.293m).

6. Approves total borrowings of \$50.677m projected to 30 June 2026 (\$1.141m lower than the Q1 projected borrowings of \$51.818m to 30 June 2026).
  7. Receives the Council Subsidiary Quarter 2 updates as contained as Attachments B, C, D and E to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
9. Item 6.6 – Unsolicited Proposals Policy and Guideline
- THAT THE AUDIT AND RISK COMMITTEE
1. Notes the Strategic Risk and Internal Audit Group’s internal Unsolicited Proposals Policy as contained in Attachment A to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 6 February 2026.
  2. Notes the Strategic Risk and Internal Audit Group’s internal Unsolicited Proposal Guidelines as contained in Attachment B to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 6 February 2026.
10. Item 6.7 – Internal Audit Progress Report
- THAT THE AUDIT AND RISK COMMITTEE
1. Notes the progress of the Internal Audit Plan as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
  2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
11. Item 11.1 – Activity of Strategic Risk and Internal Audit Group
- Considered in confidence pursuant to Section 90(3) (i) of the *Local Government Act 1999* (SA0)
- THAT THE AUDIT AND RISK COMMITTEE
1. Notes the report will be provided to the next meeting of the Council as part of the confidential report of the Audit and Risk Committee.
  2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999* (SA) and on the grounds the Item 11.1 [Activity Strategic Risk and Internal Audit Group] listed on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 was received, discussed and considered in confidence pursuant to Section 90 (3) (i) of the *Local Government Act 1999* (SA) this meeting of the Audit and Risk Committee, do order that:
    - 2.1. The resolution becomes public information and is included in the Minutes of this meeting
    - 2.2. The report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2032.
    - 2.3. The confidentiality of this matter be reviewed in December 2026
    - 2.4. The Chief Executive Officer or delegate authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – Public component of the Audit and Risk Committee Agenda – 6 February 2026

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## ATTACHMENTS

Nil

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- END OF REPORT -