

Internal Audit Progress Report

Thursday, 12 May 2022
Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:
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Governance

Public

Approving Officer:
Amanda McIlroy - Chief
Operating Officer

EXECUTIVE SUMMARY

To provide the Audit and Risk Committee with a progress update on the Internal Audit program, findings and recommendations.

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RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is to uphold the values of integrity and accountability. To ensure that the Council delivers services to the community as a leader, advocate, and facilitator by maintaining a transparent decision-making process.
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	Not as a result of this report
Opportunities	The Internal Audit program provides to the Audit and Risk Committee on assurance related activities to meet best practice standards.
21/22 Budget Allocation	\$70,000
Proposed 22/23 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
21/22 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

1. The role of Internal Audit is to assist Council, Audit and Risk Committee and the Chief Executive Officer in meeting their assurance obligations relating to corporate governance, the system of internal controls and identifying areas for more efficient and effective processes.
2. Pursuant to the Audit and Risk Committee’s Terms of Reference, approved by Council on 12 October 2021, the Audit and Risk Committee shall receive reports on all Internal Audit projects and review and monitor management’s responsiveness to the findings and recommendations of the Internal Auditors (currently KPMG) and inhouse advice. At the request of the Audit and Risk Committee, full copies of all completed audit reports are included - view [Link 1](#).
3. At its meeting 18 June 2021, the City of Adelaide Audit and Risk Committee resolved that it can, at any time recommend to Council to approve the Internal Audit Plan (the Plan) 2021/2022. The Plan was approved by Council at its meeting on 13 July 2021. The Audit and Risk Committee can at any time consider an amendment to the plan in context of operational needs and priorities.
4. A summary of internal audits, strategic reviews and internal investigations for the period February 2022 to March 2022 is provided below:

Completed projects	<ul style="list-style-type: none"> • PCI Compliance • LGRS Risk Evaluation • Fleet Management and Fuel Cards • Planning, Development and Infrastructure Act 2016 Implementation
Projects commenced	<ul style="list-style-type: none"> • Records Management • Payroll and Remuneration

5. Recommendations arising from Internal Audit and Strategic Reviews are reported to the Strategic Risk and Internal Audit Group (SRIA). Associate Directors and Managers are involved in the review and to assist in drafting the management response, agree on actions, and have overall responsibility for the target completion dates.
6. Recommendations, agreed actions, responsibilities and timeframes for implementation are recorded centrally in Council’s process mapping software, Promapp. The implementation status of recommendations is tracked and reported to the Audit and Risk Committee.
7. As agreed by SRIA, all extension requests for outstanding actions are approved by the Chief Executive Officer. This process will ensure that there is appropriate accountability, and commitment for completion before a request is granted an extension.
8. Since the last Internal Audit Progress Update reported to the Audit and Risk Committee at its meeting on 4 February 2022, 14 internal audit recommendations have been completed and 44 recommendations are in progress - view [Link 2](#), as summarised in the table below:

Risk	Definition	Overdue	In Progress	Total
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives. Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.	2	7	9
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives. Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.	3	6	9

Risk	Definition	Overdue	In Progress	Total
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives. Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months	2	11	13
	Total	7	24	31
N/A	Improvement Opportunity	0	13	13

DATA AND SUPPORTING INFORMATION

Link 1 – Completed Audit Reports

Link 2 – Progress Summary of Recommendations Report

ATTACHMENTS

Nil

- END OF REPORT -