

Internal Audit Scopes

Friday, 22 May 2026
Audit and Risk Committee

Strategic Alignment - Our Corporation

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Public

Approving Officer:
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EXECUTIVE SUMMARY

The purpose of this report is to present the Audit and Risk Committee (ARC) with the following internal audit scopes for noting and feedback:

- Project Management Framework
- Strategic Third-Party Relationship Management Review

These internal audits are in accordance with the 2025-2028 Internal Audit Plan.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Project Management Framework Internal Audit scope as contained in Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026 and provides the following feedback:
 - 1.1. _____
 - 1.2. _____
 2. Notes the Strategic Third Party Relationship Management Review scope as contained in Attachment B to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 22 May 2026 and provides the following feedback:
 - 2.1. _____
 - 2.2. _____
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p>Strategic Alignment – Our Corporation</p> <p>Outcome – Effective Leadership and Governance</p> <p>Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its functions legally, effectively and efficiently.</p>
Policy	Not as a result of this report
Consultation	The internal audit scopes were presented to the Strategic Risk and Internal Audit Group at its meeting on 9 April 2026.
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 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.
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, ensuring functions and services align Council processes to best practice standards.
25/26 Budget Allocation	Not as a result of this report
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. In 2025 BDO were appointed as the City of Adelaide's (CoA) Internal Audit partners.
2. Following BDO's appointment, Administration worked with BDO through a facilitated workshop to develop a 3-year Internal Audit Plan 2025-2028 (the Plan).
3. At the Strategic Risk and Internal Audit (SRIA) Group meeting on 13 November 2025, SRIA approved the Plan and recognised that this Plan is a rolling Plan which will be tested each year to ensure emerging priorities have been identified. Where necessary the Plan will be amended to focus on any new priorities.
4. At its Special Meeting held on 27 November 2025, the Audit and Risk Committee (ARC) noted the Internal Audit Plan, acknowledging SRIA's approval of the Plan and its rolling nature, including the ability to adjust audit priorities in response to emerging risks and organisational needs.
5. The Plan includes several internal audits (the Audit) that can be facilitated using Council's resources.
6. Internal audits are performed, either in-house by the Risk and Audit Advisor or by BDO, Council's internal audit partner, or by a specialist external provider where required.
7. The Risk and Audit Advisor will focus on operational and transactional compliance audits. BDO will perform the strategic and compliance audits, where specialised skills and expertise are required. This approach ensures that appropriate assurance is provided to the Council including ARC in a way that achieves best value for money, leveraging our in-house and external capabilities where appropriate (i.e. alignment of internal approach versus BDO).
8. Each Audit has been identified as a risk mitigation to Council's Strategic Risks.
9. These Audits are essential to ensure that the Council is complying with legislation, regulations and policies that govern our operations. The audits will look at the following key areas:
 - 9.1. Legal and Regulatory Compliance
 - 9.2. Risk Mitigation
 - 9.3. Reputation Protection
 - 9.4. Operational Efficiency
 - 9.5. Transparency and Accountability and
 - 9.6. Support future decision-making
10. The following Audits will commence in Q4 of 2025/26
 - 10.1. Project Management Framework; and
 - 10.2. Strategic Third-Party Relationship Management Review.

Project Management Framework

11. The Project Management Framework Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment A.
12. The objective of this Audit is to assess the design adequacy and operating effectiveness of CoA's project management framework, key controls across the project lifecycle, and its alignment to leading practice.
13. SRIA considered the audit scope with BDO at its meeting on 9 April 2026. The scope was endorsed by SRIA.

Scope

14. The scope as detailed in Attachment A will focus on project governance and oversight through alignment of roles and responsibilities, and strategic planning and implementation.
15. The audit will also review the end-to-end project management process and gateways, delegations of authority and governance charters.
16. In addition, it will assess the adequacy and maturity of the CoA's project management practices using BDO's Project Management Maturity Assessment Models.

17. The Audit will be undertaken in consultation with Administration. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
18. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to ARC.

Strategic Third-Party Relationship Management Review

19. The Strategic Third-Party Relationship Management Review Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found in Attachment B.
20. The objective of this Audit is to assess the design and operating effectiveness of the CoA's third-party relationship management framework and processes with a focus on strategic partnerships, collaboration and affiliations.
21. SRIA considered the Audit scope with BDO at its meeting on 9 April 2026. The scope was endorsed by SRIA.

Scope

22. The scope as detailed in Attachment B will consider CoA's third-party relationship management framework, with a focus on the following areas:
 - 22.1. Relationship between CoA strategic objectives and third-party partnerships;
 - 22.2. Delegations of authority to engage and commit third parties;
 - 22.3. Identify key third party relationships/bodies;
 - 22.4. Strategy, coordination and communication; and
 - 22.5. Ongoing management, renewal, variation, termination and exit/transition management.
23. As a result of BDO's meetings with each Director, ARC is advised that the audit scope may be adjusted. If adjusted, ARC will be provided an update.
24. In addition to meeting with each Director, BDO will also engage with the General Managers of Adelaide Central Market Authority and Adelaide Economic Development Agency.
25. Other relevant stakeholders will be consulted during the audit.
26. Following the completion of the Audit a draft report will be discussed with the relevant stakeholders regarding agreed management actions and the factual accuracy of the findings.
27. The final report, incorporating management responses and an agreed action plan, together with responsible persons and target dates for completion of actions, will be presented to SRIA and subsequently to ARC.

Next steps

28. ARC is asked to review the attached scopes and provide feedback where required.
29. Any feedback provided by ARC will be assessed and incorporated into the scopes where appropriate.

ATTACHMENTS

Attachment A – Project Management Framework Internal Audit Scope

Attachment B – Strategic Third-Party Relationship Management Review Internal Audit Scope

- END OF REPORT -