

## PROJECT BRIEF

<b>Project Title:</b>	City of Adelaide - Strategic Third Party Relationship Management Review
<b>Project Contact:</b>	Rebecca Hayes, Associate Director, Governance & Strategy
<b>Project Objective:</b>	The objective of this project is to assess the design and operating effectiveness of the City of Adelaide's (CoA) third-party relationship management framework and processes with a focus on strategic business partnerships, collaborations and affiliations.
<b>Scope &amp; Approach:</b>	<p>The scope of this review will consider CoA's third-party relationship management framework, with a focus on the following areas:</p> <ul style="list-style-type: none"><li>• Relationship between CoA strategic objectives and third party partnerships</li><li>• Delegations of authority to engage and commit third parties</li><li>• Risk appetite</li><li>• Procurement and contract due diligence processes</li><li>• Compliance and governance</li><li>• Fraud and corruption management</li><li>• Conflict of interest management</li><li>• Coordination and communication</li><li>• Ongoing management, monitoring and reporting (performance, compliance, issues)</li><li>• Renewal, variation, termination, and exit/transition management.</li></ul> <p>Further specific focus areas will be agreed between BDO and CoA.</p> <p>This project will be undertaken in consultation with the Governance &amp; Strategy teams.</p> <p>Our approach includes the following phases:</p> <p><b>Phase 0: Project Kick-off and Planning</b></p> <p>Project kick-off and planning will focus on establishing the foundation for an effective engagement, including consultation, confirmation of timelines and deliverables, identification of issues and scope exclusions, outlining our information requests, and commencing access to relevant documentation.</p> <p>An initial kick-off meeting will confirm roles and responsibilities, introduce CoA representatives and the BDO team, and confirm the contact details of nominated engagement personnel.</p> <p><b>Phase 1: Process Discovery</b></p> <p>The Process Discovery phase included the following two (2) stages:</p> <p><b>1a - Document Collation and Process Interviews</b></p> <ul style="list-style-type: none"><li>• Obtain CoA's suite of third-party relationship management framework documentation, including: delegations of authority, risk appetite, due diligence processes, compliance and governance, contract management, fraud and corruption, conflict of interest, and coordination and communication.</li></ul>

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	<ul style="list-style-type: none"><li>• Conduct interviews with nominated CoA representatives to gain an understanding of the key processes and systems used in the third-party relationship management framework across the organisation.</li><li>• Obtain and review a register of strategic third-party arrangements.</li><li>• Identify the key risk areas within the third-party relationship management framework processes, with reference to the relevant strategic risk ‘bow tie’ assessment.</li></ul> <p><b>1b - Process and Documentation Review</b></p> <ul style="list-style-type: none"><li>• Gain an understanding of CoA’s suite of third-party management related documentation obtained in Phase 1a.</li><li>• Document, at a high level, the key third-party relationship management framework processes, highlighting the key controls in place (manual and system-based) to address the identified key risk areas.</li></ul> <p><b>Phase 2: Assessment of Process Adequacy</b></p> <p>The Process Adequacy phase includes the following two (2) stages:</p> <p><b>2a - Adequacy Assessment and Risk/Control Gap Analysis</b></p> <ul style="list-style-type: none"><li>• Consider the alignment of the third-party management framework and processes against leading business practices.</li><li>• Based on review of documentation and interviews, identify current processes and controls, and validate whether these are in alignment with Council’s established frameworks and policies.</li><li>• Through use of a Risk and Control Matrix, map current controls and processes to risks to identify risk exposure.</li><li>• Based on the control gap analysis and assessment, identify areas requiring improvement from a control and/or process improvement perspective.</li><li>• Agree areas that require specific ‘walkthroughs’ and/or ‘testing’.</li></ul> <p><b>2b - Walkthroughs and Testing</b></p> <ul style="list-style-type: none"><li>• Via review of third party register information, and consultation with CoA representatives, select a representative sample of key third-party relationship management activities for testing.</li><li>• Conduct ‘walkthroughs’ and/or ‘testing’ of key third party management activities, where appropriate, to assess:<ul style="list-style-type: none"><li>– Compliance with CoA’s third-party relationship management framework and relevant policies/procedures</li><li>– Operating effectiveness of internal controls within the third-party relationship management framework and processes.</li></ul></li><li>• Based on the results of walkthroughs/testing, identify areas requiring improvement from a control and/or process improvement perspective. Also consider outcomes of the internal audit on the relevant strategic risk ‘bow tie’ assessment.</li></ul>

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<b>Project Title:</b>	City of Adelaide - Strategic Third Party Relationship Management Review	
	<b>Phase 3: Process Improvement</b> <ul style="list-style-type: none"><li>• Hold preliminary discussions with CoA representatives to confirm accuracy of audit findings.</li><li>• Work with CoA's representatives to develop tailored solutions to address any identified control gaps and/or process improvement opportunities.</li></ul> <b>Phase 4: Report Results</b> <ul style="list-style-type: none"><li>• Prepare a summary of findings providing CoA with recommendations for enhancing the third-party management framework.</li><li>• Hold closing meetings with CoA representatives regarding audit outcomes.</li><li>• Prepare draft report and provide to CoA representatives for management comments.</li><li>• Finalise report.</li></ul>	
<b>Timeframe:</b>	Project delivery by end of June 2026.	
<b>Project Resources:</b>	The estimated total cost to complete this project is \$30,000 - \$35,000 (GST exclusive). Out of pocket costs (including travel and accommodation, if required) will be billed at cost, kept to a minimum and agreed with you prior to them being incurred.	
<b>Prepared by:</b>	BDO	
<b>Agreed by:</b>	<b>Peter Horsman - Partner BDO</b> / /2026	<b>Rebecca Hayes - Associate Director, Governance &amp; Strategy</b> / /2026