

Internal Audit Scopes

Friday, 12 June 2026
Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:
Rebecca Hayes, Associate
Director Governance & Strategy

Public

Approving Officer:
Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

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

- Commercial Revenue Process Review

This internal audit is in accordance with the 2025-2028 Internal Audit Plan.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Commercial Revenue Process Review Internal Audit scope as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 12 June 2026 and provides the following feedback:

1.1. _____

1.2. _____

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 scope was presented to the Strategic Risk and Internal Audit Group at its meeting on 8 May 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 was 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 the 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 it 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 Internal 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 manner that achieves best value for money, leveraging our in-house and external capabilities where appropriate.
8. Each Internal Audit has been identified as a risk mitigation to Council's Strategic Risks.
9. Internal Audits are essential to ensure that the Council is complying with legislation, regulations and policies that govern our operations. The Internal 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 Internal Audit will commence prior to 30 June 2026:
 - 10.1. Commercial Revenue Process Review (the CRPR Audit)

Commercial Revenue Process Review

11. The CRPR Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope of the CRPR Audit can be found in **Attachment A**.
12. The objective of this CRPR Audit is to assess the design and operating effectiveness of the CoA's processes and governance structures to identify, evaluate and deliver new commercial revenue opportunities.
13. SRIA considered the Internal Audit scope, together with BDO, at its meeting on 8 May 2026. The scope was endorsed by SRIA.

Scope

14. The scope as detailed in **Attachment A** will consider the adequacy of CoA's organisational approach and processes to:
 - 14.1. Identify potential new revenue streams;
 - 14.2. Efficiently, effectively and consistently evaluate the financial feasibility and strategic alignment of potential opportunities;
 - 14.3. Assess legislative and policy implications;
 - 14.4. Manage conflicts of interest;

- 14.5. Ensure appropriate governance and approvals; and
- 14.6. Monitor and report on the delivery of outcomes versus what was planned.
- 15. The CRPR Audit will be undertaken in consultation with Administration. The following stakeholders have been identified based on preliminary discussions:
 - 15.1. Chief Operating Officer;
 - 15.2. Director, City Infrastructure;
 - 15.3. Director, City Community;
 - 15.4. Director, City Shaping;
 - 15.5. Associate Director, Strategic Property and Commercial;
 - 15.6. General Manager Adelaide Economic Development Agency;
 - 15.7. General Manager Adelaide Central Market Authority; and
 - 15.8. Manager, Commercial and Property Leasing.
- 16. Other relevant stakeholders will be consulted during the CRPR Audit.
- 17. Following the completion of the CRPR 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 with nominated responsible officers and target completion dates, will be presented to SRIA and subsequently to ARC.

Next steps

- 19. ARC is asked to review the attached CRPR Internal Audit scope and provide feedback as necessary. Noting that the ARC Terms of Reference and Meeting Procedures state at point 11.4.5 that ARC “provide oversight and feedback (as required) on draft Internal Audit Scopes”.
- 20. Any feedback provided by ARC will be assessed and incorporated into the scope where appropriate.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Commercial Revenue Process Review Internal Audit Scope

- END OF REPORT -