Strategic Internal Audit Plan

Strategic Alignment - Our Corporation

Public

Friday, 14 August 2026

Audit and Risk Committee

Program Contact:
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Approving Officer:
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EXECUTIVE SUMMARY

The purpose of this report is to present the proposed 2027-2029 Internal Audit Plan for the City of Adelaide.

Noting the objectives of the City of Adelaide Strategic Plan 2024-2028, Council's Strategic Risk and Internal Audit Group (SRIA) together with Council's appointed Internal Auditors, BDO, have reviewed the City of Adelaide's 2026-2029 Internal Audit Plan.

The draft 2027-2029 Internal Audit Plan is provided to the Audit and Risk Committee for noting and feedback.

RECOMMENDATION

<u>THAT THE AUDIT AND RISK COMMITTEE ADVISES COUNCIL</u>

<u>THAT THE AUDIT AND RISK COMMITTEE</u>

1. Notes the draft 2027-2029 Internal Audit Plan report on the Agenda for the meeting of the Audit and Risk Committee held on 14 August 2026.
2. Notes the draft 2027-2029 Internal 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 14 August 2026 and provides the following feedback:
    2.1. ______________________
    2.2. ______________________

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	**Strategic Alignment – Our Corporation** 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. 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.
Policy	Alignment with the City of Adelaide Risk Management Operating Guideline.
Consultation	The internal audit plan was presented to the Strategic Risk and Internal Audit Group at its meeting on 16 July 2026.
Resource	Not as a result of this report.
Risk / Legal / Legislative	Sound risk and opportunity management, minimises and controls risk, identified improvement opportunities, and enables well-informed decision-making and supports the delivery of the Strategic Plan.
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, enhancing functions and services aligning Council processes to best practice standards.
26/27 Budget Allocation	$250,000 is included in the operating budget to support internal audit activities.
Proposed 27/28 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.
27/28 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. One of the roles of the Audit and Risk Committee (ARC), as per clause 11.2.1 of its Terms of Reference, is to review the Council's Risk Profile and monitor the risk exposure of Council and its subsidiaries.
2. The Chief Executive Officer has assigned responsibility for managing the internal audit program to the Chief Operating Officer (the COO). The COO will be supported by the Associate Director Governance and Strategy, and the Manager Corporate Governance and Risk, and together those positions take responsibility for the management of the Internal Audit program and liaising with BDO (Council's internal audit partner), who commenced with the Council on 1 October 2025, to conduct Internal Audit services for the Council.

Internal Audit Plan 2027 - 2029

3. Noting the objectives of the City of Adelaide Strategic Plan 2024 – 2028, the Strategic Risk and Internal Audit Group (SRIA) reviewed City of Adelaide's (the Council) three-year (2027 – 2029) Internal Audit Plan (the Plan).
4. BDO met with the Administration to review and discuss the proposed internal audits for Council. The feedback has been collated and formalised in a draft three-year Plan which was discussed at SRIA on 16 July 2026, in consideration of the Council's strategic risks and key priorities with the Council Strategic Plan 2024 – 2028.
5. The draft Plan for 2027 – 2029 includes a number of internal audits that can be facilitated using existing Council resources. Internal audits are performed, either in-house, by Council's internal audit partner, or specialised providers where required (for example cyber). In-house audits include operational and transactional compliance audits. The internal audit partner 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 in a manner that achieves the best value for money, leveraging our in-house and external capabilities where appropriate.
6. Each internal audit has been identified as a risk mitigation to a Strategic Risk of the Council.
7. The following items are recommended in the Plan for the 2026/2027 financial year:

	Audit Title	Brief Description	Provider	Timing
1	**Business Plan and Budget**	This internal audit will assess the effectiveness and efficiently of the Council's business planning and budget development processes.	BDO	Q1
2	**Strategic Asset Management** (to perform in conjunction with #1)	The objective of this audit is to assess the maturing and effectiveness of the Council's Asset Management Framework and its alignment with the Strategic Plan, Long Term Financial Plan, and Asset Management Plans.	BDO	Q1
3	**Review of Internal Audit Recommendation Implementation**	This audit will assess the effectiveness and timeliness of actions taken to address findings and recommendations from previous internal audits.	In-house	Q1
4	**Elected Member Request System**	This audit will assess the effectiveness of the Council's Elected Member request system, including the processes and practices in place to manage, track and respond to requests.	In-house	Q1
5	**Regulatory Compliance Framework**	This internal audit will assess the maturity and effectiveness of the Council's regulatory compliance framework.	BDO	Q2

	Audit Title	Brief Description	Provider	Timing
6	**Regulatory Enforcement Framework** (to perform in conjunction with #4)	This internal audit will assess the effectiveness of Council's arrangements for managing regulatory compliance in its role as regulatory administrator.	BDO	Q2
7	**Penetration Testing and PCI Compliance**	This audit will involved ongoing penetration testing to identify vulnerabilities and weakness with the Council's internal network and digital environment. In addition, CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on this compliance to the acquiring bank with a completed Self-Assessment Questionnaire.	Third-party provider	Q2
8	**Mandatory Training**	Review the process for documenting mandated training required for roles or to maintain accreditation for designated roles, costed out in the budget with reminders set to ensure we keep the records up to date.	In-house	Q2
9	**Business Resilience**	This internal audit will assess the adequacy and effectiveness of the Council's business resilience framework, including business continuity planning (BCP), IT disaster recovery (IT DR) and crisis management arrangements.	BDO	Q3
10	**ICT Project Implementation and Governance**	This review will focus on the implementation of SAP SuccessFactors software including project planning, oversight, reporting and integration of ICT initiatives with organisational objectives and stakeholder requirements	BDO	Q3
11	**Legislative Compliance**	This audit will assess the effectiveness of the Council's legislative compliance work plan and supporting framework.	In-house	Q3
12	**Essential Eight**	A comprehensive evaluation of Council's cyber security posture against the Essential Eight, a baseline mitigation framework developed by the Australian Signals Directorate (ASD) and the Australian Cyber Security Centre (ACSC).	Third-party provider	Q3
13	**Physical and Protective Security**	This internal audit will assess the effectiveness of the Council's physical and protective security framework, including the governance, processes and practices that support the safety of employees, contractors, visitors and Council assets and infrastructure.	BDO	Q4

	Audit Title	Brief Description	Provider	Timing
14	**ESG Reporting Processes Review**	This audit will assess the Council's current ESG data, data management and reporting processes to understand the quality and robustness, and provide recommendations on reporting framework alignment.	BDO	Q4
15	**Legal Services**	This audit will assess the governance and controls surrounding the procurement and management of legal service across the Council.	In-house	Q4

8. A brief draft scope of each internal audit is included in **Attachment A**. A more comprehensive scope will be developed and presented to SRIA and ARC for approval prior to each internal audit being taken.

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – 2027 – 2029 Internal Audit Plan

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