

Internal Audit Scopes

Friday, 16 October 2026

Audit and Risk Committee

Strategic Alignment - Our Corporation

Program Contact:

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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:

- Strategic Asset Management Review
- Annual Business Plan & Budget Review

These internal audits are in accordance with the 2027-2029 Internal Audit Plan.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Strategic Asset Management Review Internal Audit scope as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 October 2026 and provides the following feedback:
 - 1.1. _____
 - 1.2. _____
 2. Notes the Annual Business Plan & Budget Review Internal Audit scope as contained in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 October 2026 and provides the following feedback:
 - 2.1. _____
 - 2.2. _____
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation Outcome – Effective Leadership and Governance 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	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 8 October 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.
26/27 Budget Allocation	\$35,000 is budgeted for the Strategic Asset Management Review Internal Audit. \$30,000 is budgeted for the Annual Business Plan & Budget Review Internal Audit.
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.
26/27 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. At the Strategic Risk and Internal Audit (SRIA) group on 11 June 2026, the proposed 2027-2029 Internal Audit Plan (the Plan) was presented for consideration. SRIA has previously acknowledged that the Plan is a rolling plan which includes the ability to adjust audit prioritise in response to emerging risks and organisational needs.
2. The Plan builds on the outcomes of a BDO-facilitated Internal Audit Planning Workshop with the Executive and has been developed with regard to Council's strategic risks and priorities under the Strategic Plan 2024-2028. A draft four-year plan was previously considered by SRIA on 13 November 2025.
3. 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.
4. The 2027-2029 Plan adopts a blended delivery model, utilising Council resources, the internal audit partner, and specialist providers where required. This approach enables the delivery of appropriate assurance while achieving value for money through the effective use of internal and external expertise.
5. Each Audit has been identified as a risk mitigation to the Council's Strategic Risks.
6. 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:
 - 6.1. Legal and Regulatory Compliance;
 - 6.2. Risk Mitigation;
 - 6.3. Reputation Protection;
 - 6.4. Operational Efficiency;
 - 6.5. Transparency and Accountability; and
 - 6.6. Support future decision making.

Strategic Asset Management Review

7. The Strategic Asset Management Review Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found at **Attachment A**.
8. The objective of this Audit is to assess the maturity and effectiveness of the Council's Asset Management Framework and its alignment with the Strategic Plan, Long-Term Financial Plan (LTFP), and Strategic Asset Management Plans (AMPs).
9. SRIA considered the audit scope with BDO at its meeting on 8 October 2026. The scope was endorsed by SRIA.
10. The scope and approach of this audit will be to:
 - 10.1. Assess the adequacy of the Council's AMPs including strategies and programs for asset creation, operation, maintenance, refurbishment, replacement, disposal, and performance monitoring to support organisational needs
 - 10.2. Review the Council's approach to life cycle planning and forecasting of future operational and capital expenditure requirements
 - 10.3. Evaluate the appropriateness of maintenance policies and whether defined service standards support asset availability, functionality, and sustainability in line with strategic and financial objectives.
11. This Audit will be undertaken by BDO in consultation with Administration. Based on preliminary discussions the following stakeholders have been identified:
 - 11.1. Associate Director Governance & Strategy
 - 11.2. Associate Director Finance & Procurement
 - 11.3. Associate Director Infrastructure
 - 11.4. Associate Director Park lands, Policy & Sustainability
 - 11.5. Manager Strategy, Planning & Engagement
 - 11.6. Coordinator Strategic Planning

12. Other relevant stakeholders will be consulted during the audit.

Annual Business Plan & Budget Review

13. The Annual Business Plan & Budget Review Internal Audit is to be performed in partnership with BDO, in accordance with the Plan. The scope can be found at **Attachment B**.
14. The objective of this Audit is to assess the effectiveness and efficiency of the City of Adelaide's (CoA) business planning and budget development processes. The review will focus on the governance, coordination, and integration of business planning activities across the organisation and Chamber.
15. SRIA considered the audit scope with BDO at its meeting on 8 October 2026. The scope was endorsed by SRIA.
16. The scope and approach of this audit will include:
 - 16.1. Governance and accountability – Roles, decision rights and delegations, committee pathways, escalation and oversight
 - 16.2. Planning integration – Alignment between strategic planning, annual business planning, the LTFP, asset management planning, workforce considerations and budget development
 - 16.3. Budget development – Assumptions, business-unit submissions, prioritisation, financial review, consolidation and approval
 - 16.4. Legislative and policy alignment – Relevant requirements of the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011*, and applicable internal policies and procedures
 - 16.5. Engagement and transparency – Internal stakeholder engagement, elected-member engagement, public consultation inputs where applicable, and documentation of decisions
 - 16.6. Monitoring, forecasting and adjustment – Budget reporting, reforecasting, adjustment approvals, variance analysis and feedback into subsequent planning cycles.
17. This Audit will be undertaken by BDO in consultation with Administration. Based on preliminary discussions the following stakeholders have been identified:
 - 17.1. Chief Operating Officer
 - 17.2. Associate Director Governance & Strategy
 - 17.3. Associate Director Finance & Procurement
 - 17.4. Associate Director People
 - 17.5. Manager Strategy, Planning & Engagement
 - 17.6. Coordinator Corporate Planning
18. Other relevant stakeholders will be consulted during the audit.

Next Steps

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

DATA AND SUPPORTING INFORMATION

Nil

ATTACHMENTS

Attachment A – Strategic Asset Management Review Internal Audit Scope

Attachment B – Annual Business Plan & Budget Review Internal Audit Scope