

Strategic Internal Audit Plan 23/24

Strategic Alignment - Enabling Priorities

Public

Tuesday, 20 June 2023

City Finance and Governance
Committee

Program Contact:

Alana Martin, Manager
Governance

Approving Officer:

Michael Sedgman, Chief
Operating Officer

EXECUTIVE SUMMARY

This report contains the proposed one-year Internal Audit Plan (the Plan) for the City of Adelaide (CoA). The Plan has been drafted in consultation with the Executive Team, members of the Executive Strategic Risk and Internal Audit Group (SRIA) and CoA's internal audit provider in consideration of CoA's strategic risks and key priorities.

RECOMMENDATION

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS THAT COUNCIL:

THAT COUNCIL:

1. Approves the City of Adelaide one-year Internal Audit Plan, contained in Attachment A to Item 5.4 on the Agenda for the meeting of the City Finance and Governance Committee held on 20 June 2023, noting the recommendation of the Audit and Risk Committee that KPMG conduct a review of the Strategic Property Action Plan, in addition to those KPMG will undertake in the delivery of the Strategic Internal Audit Plan 2023/24.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities 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.
Policy	Alignment with the City of Adelaide Risk Management Operating Guideline
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Sound risk and opportunity management enables well informed decision making and supports the delivery of the Strategic Plan
Opportunities	Sound risk and opportunity management enables well informed decision making and supports the delivery of the Strategic Plan
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 Budget Allocation	\$70,000
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
22/23 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

1. The one-year (2023/24) Internal Audit Plan (the Plan) for the City of Adelaide (CoA) has been drafted in consultation with the Executive Team, the members of the Strategic Risk and Internal Audit Group (SRIA) and CoA's internal audit provider in consideration of the CoA's strategic risks and key priorities within the Strategic Plan.
2. The Plan for 2023/24 includes a number of internal audits that can be facilitated using existing CoA resources. Internal audits are performed either inhouse by the Risk and Audit Analyst, or by our audit partner KPMG. The Risk and Audit Analyst will perform the operational and transactional compliance audits. While the KPMG will be used for strategic and compliance audits, where specialised skills and expertise are required. The intent of this approach is to ensure that appropriate assurance is provided to the Council in a way that achieves the best value for money, leveraging our in-house capability.
3. Each internal audit has been identified as a risk mitigation to the City of Adelaide's Strategic Risks and corresponding risk rating.
4. The following items are recommended in the Plan for 2023/24:
 - 4.1. Grants Management
 - 4.2. Community Safety
 - 4.3. Penetration Testing
 - 4.4. Legislative Compliance Framework
 - 4.5. Contract Management
 - 4.6. Mercer Remuneration Review
 - 4.7. PCI Compliance
 - 4.8. Post Implementation Review
 - 4.9. Lease Management
 - 4.10. Data Protection and Privacy
 - 4.11. Project Health Check
 - 4.12. Record Keeping Audits
5. A brief draft scope for each review is included in **Attachment A**. A more comprehensive scope will be developed and presented to SRIA for approval prior to the internal audit being undertaken.
6. At the SRIA meeting on 2 June 2023, a request was made for the inclusion of three additional audits in the Strategic Internal Audit Plan 2023/24. The additional audits will be performed by Council's internal audit provider who will be invited to the July SRIA meeting to discuss options for these audits in consideration of the CoA's strategic risks and key priorities. When the three additional audits have been determined, an updated Strategic Internal Audit Plan 2023/24 will be provided at the following Audit and Risk Committee meeting.
7. The Audit and Risk Committee met on the 14 June 2023 and provided the following feedback
 - 7.1. KPMG to conduct a review of the Strategic Property Action Plan, in addition to the extra audits KPMG will undertake in the delivery of the Strategic Internal Audit Plan 2023/24;
 - 7.2. The session with KPMG at the July SRIA meeting will focus on key strategic risks and challenges for Council when considering the additional audits to be undertaken;
 - 7.3. If more than three key strategic risks and challenges are identified as part of the KPMG session, then consideration will be given to replacing compliance-based audits on the current list with those identified in the session.

ATTACHMENTS

Attachment A – Internal Audit Plan 2023-24