

INTERNAL AUDIT PLAN

2022-2023

June 2022

ACKNOWLEDGEMENT OF COUNTRY

The City of Adelaide acknowledges that we are located on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We also extend that respect to visitors of other Aboriginal Language Groups and other First Nations.

DOCUMENT PROPERTIES

Contact for enquiries and proposed changes

If you have any questions regarding this document or if you have a suggestion for improvements, please contact:

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PURPOSE

The purpose of this document is to provide the City of Adelaide’s (CoA) Executive and Strategic Risks and Internal Audit (SRIA) members and subsequently the CoA’s Audit and Risk Committee (ARC) a proposed one-year Internal Audit (IA) Plan (plan). The plan has been presented to SRIA for endorsement prior to being submitted to the ARC for final review prior to implementation. The Internal Audit Plan relates to all areas of CoA including the subsidiaries.

A detailed project scope document will be developed prior to the commencement of individual projects. This is not a static document and the IA plan will be reassessed periodically to recognise CoA’s changing risks, controls and internal audit requirements. Regular risk monitoring and communication with Executive and SRIA will be undertaken to keep key stakeholders informed of any potential changes to organisational risks profiles and facilitate the on-going alignment of Internal Audit activities with organisational objectives. IA is reported monthly to SRIA which includes new scopes, outcomes and a report on current or outstanding actions.

WHY HAVE AUDITS BEEN SELECTED?

The intention of the audits detailed in the IA plan are aligned to deliver value within CoA’s context of its values, culture, customer service objective and Strategic Plan. The internal audits have been selected not to enable disciplinary action but rather as genuine opportunities in these areas to deliver value and internal audit will be a mechanism to help improve the likelihood of success.

It is envisaged that these internal audit projects, which are oriented towards opportunities to enhance Council services and the internal organisations services, will assist to contribute to achievement of strategic objectives, improving the risk culture at CoA and overall, assist CoA to deliver a better experience for the people living and working in the City of Adelaide.

The IA Plan for 22/23 includes a number of audits that can be facilitated utilising existing in-house CoA resources. External providers will be utilised for strategic and compliance audits where specialised skills and expertise are required.

Internal audits have been categorised as:

- Operational
- Strategic
- Compliance

Audits are identified to assist in mitigating CoA strategic risks which are outlined in the table below.

TYPE OF AUDIT

Three types of Audits	
Operational	To review the robustness of systems, policies and processes
Strategic	To provide an independent examination of the strategic objective a program, function, operation or the management systems and procedures of council to assess whether the administration is achieving value for money, efficiency and effectiveness
Compliance	To provide comfort that contractual or legislative / regulatory obligations are being met.

CoA STRATEGIC RISK REGISTER

Strategic risk	Risk description	Opportunity description
Personnel	Failure to attract and retain talented people	Attract and retain great staff that improve the organisational effectiveness of CoA and positively impact the community.
Relationships	Poor relationships with the community, government and private sector	To enhance stakeholder relationships which will assist in better partnerships and outcomes. Continue to build on and enhance relationships with other government bodies to empower partnerships and growth for the state.
Reputation	Negative reputation and public perception of CoA	Becoming an Industry Leader in Local Government. Developing stronger relationships with the community and building trust through proactive messaging and delivery of our customers
Organisational Culture	Poor organisational culture	Continuing to work towards a high performing culture via building strong and inspirational leadership that enables engaged and capable people.
Economic Outlook	Downturn in economic outlook resulting in reduced Council revenue	Increased business attraction to the city. Meeting a number of objectives in Council's Strategic Plan regarding the vibrancy of the city.
Project Delivery	Projects not delivered to quality, time or budget	Effective and efficient projects being undertaken with great community outcomes.
Service Delivery	Poor service delivery to our community	Delivery of Council's services is highly regarded by all customers, internal and external.
Compliance	Non-compliance of Council policies and legislative requirements	Best practice services and processes across all council operations.
Work Health and Safety	Failure to maintain a safe and healthy workplace	A safe and healthy work environment for all workers including staff, volunteers and contractors.
City Emergency	Insufficient emergency management preparation	Council as a community leader in times of crisis and assisting authorities where possible. CoA to continue to be a sector leader and assist with other councils and the LGA in both response and recovery.

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Financial Sustainability	Failure to plan for and manage Councils finances.	Long term financial stability which provides an allowance to undertake a number of innovative projects for the community. Meeting the three main measures (1) Operating Surplus, (2) Asset Sustainability Ratio and (3) Net Financial Liabilities. Identifying ways to diversity revenue streams.
Technological	Lack of modern, integrated and secure digital environment.	Enhance City of Adelaide's ability to deliver modern digital services to the organisation and community stakeholders through modern IT technologies that are efficient and safe.
Cyber Security	Exposure or loss resulting from a cyber-attack or data breach.	Enhance City of Adelaide's ability to provide a secure and safe technological environment.
Climate Change	The climate is changing and will continue to change, in ways that will increasingly impact operations, infrastructure, services and the community at large.	That council understands climate risks and integrate climate adaptation and mitigation opportunities across council operations and our partners to create a climate resilient city.

INTERNAL AUDITS PREVIOUSLY UNDERTAKEN

2021 / 2022	2020 / 2021	2019 / 2020	2018 / 2019
North Adelaide Golf Course Financial Processes	Record Keeping Audits	Budget Management	Rates Revenue Review
Planning Development & Infrastructure Act 2016 Implementation	Management of Leave Entitlements	Section 7 Statements	Records Management
Fleet Management & Fuel Cards	Software Licence Review	Employee Travel Expenditure	Credit Card Compliance
Payroll & Remuneration	Training and Development Internal Processes	Fraud Prevention	Environmental Health
PCI Compliance	PCI Compliance	Events Sponsorship	Customer Focus
Record Keeping	Employee Gifts and Benefits	Social Media	Stores Management
Post Audit Implementation	Project Management Review	Park Lands Review	Confidentiality Orders Review
	Legislative Compliance Framework	Legislative Compliance	Employee Reimbursements
	Post Audit Implementation Review		Post-Audit Implementation

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PROPOSED INTERNAL AUDITS FOR 2022/23

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Legislative Compliance Framework	Service Delivery Moderate	All	Compliance	In-house	August 2022

On-going assessment of CoA's legislative compliance work plan, auditing one Act at a time with actions monitored and managed in Promapp. This audit will perform a review of legislation and identify any gaps that CoA is not adhering to, to ensure that compliance is maintained at all times.

This audit will assist in mitigating the Service Delivery risks as outcomes will ensure compliance with Council's policies and legislative requirements while delivering CoA services to the community. Service Delivery is currently rated as moderate inherent risk and moderate residual risk on Council's Strategic Risk & Opportunity Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Asset Inspection Review	Financial Sustainability High	All	Compliance	Provider	August 2022

This internal audit will include review of the CoA's asset inspection policies, procedures and processes, including planning and scheduling of asset inspections, completeness of annual inspections and documentation and records retained as evidence of activities performed. SRIA will identify what asset types will be included in this audit during the development of the scope. For a sample of assets, testing will be performed to ensure that inspections have been completed in line with Council's requirements.

This audit will assist in mitigating the Financial Sustainability risk and will determine whether asset inspections are implemented in accordance with the Asset Management Plans and maintenance agreements. Non-compliance with current Asset Management Plans increases council financial sustainability risks as assets require further costs to maintain. Financial Sustainability is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Essential Eight Maturity Model	Cyber Security High	Information Management	Compliance	Provider	August 2022

The scope of this project will assess CoA current practices against the mitigation strategies of Essential Eight, to determine what level of maturity the CoA is. It will identify opportunities for CoA to protect against various cyber threats to determine the required maturity level that is suitable to the CoA environment.

This audit will assist in mitigating the Cyber Security risk and compare the CoA maturity level against the strategies of Essential Eight. Cyber Security is currently rated as high inherent risk and high residual risk on Council's Strategic Risk & Opportunity Register.

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Volunteer Management	Relationships High	City Culture & AEDA	Strategic	In-house	September 2022

The objective of this internal audit project will be to assess arrangements in place to manage and oversee volunteers working with the Council. It will include consideration of volunteer attraction, induction arrangements, ongoing management, as well as consider any opportunities to increase the value achieved through the volunteer workforce.

This audit will assist in mitigating the Relationships risks as outcomes will ensure that community services are delivered as per the Strategic Plan and ongoing management of volunteers are consistent with WHS guidelines and staff wellbeing. Relationships is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.

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Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
PCI Compliance	Compliance Moderate	Corporate Services	Compliance	Provider	November 2022
<p>CoA requires a review of its compliance with the Payment Card Industry Data Security Standard (PCI DSS) and to report on compliance by presenting its acquiring bank with a completed Self-Assessment Questionnaire (SAQ). The internal audit will provide CoA with an understanding of the level of PCI DSS compliance associated with the payment processing facilities, and to provide guidance in areas of required remediation following the assessment. The audit is required once a year.</p> <p><i>This audit will assist in mitigating the Compliance risk as the outcomes of the annual audit will ensure that CoA is adhering to the Visa/Mastercard requirements in relation to customer credit card information. Compliance is currently rated as a moderate residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					
Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Review of Adelaide Central Market Authority (ACMA) financial processes	Financial Sustainability High	City Services	Compliance	In-house	November 2022
<p>This review will assess the processes in place with the Adelaide Central Market Authority financial daily operations including payment of fee's by Members and the general public (including vouchers), end of day security of cash and other day to day transactions.</p> <p><i>This audit will assist in mitigating the Financial Sustainability risks as the outcomes of the review will confirm that internal controls are in place that may impact financial sustainability of the authority, including compliance with the appropriate policies and operating guidelines. Financial Sustainability is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Cab Charges/ Ride Shares & Pool Cars Internal Review	Financial Sustainability High	All	Compliance	In-house	February 2023
<p>This review will assess the expenditure on cab charges (including ride shares such as Go Get etc) and utilisation of the pool cars. The audit will review what contracts are in place with certain providers and if CoA is managing these contracts in the most cost-effective way.</p> <p><i>This audit will assist in mitigating the Financial Sustainability risk and identify whether financial controls are in place that may impact financial sustainability, including compliance with Council's policies/operating guidelines. Financial Sustainability is currently rated as a high residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					
Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Workforce Planning and Staff Retention	Personnel High	All	Strategic	Provider	April 2023
<p>The scope of this project will focus on each Council's workforce planning strategies and initiatives in the context of Councils strategy and matching of workforce capabilities and resourcing to future needs/aligned to each Council's strategic plan. It will focus on how council proactively manage staff retention strategies. This audit was previously included within last year's internal audit plan, however due to operational projects within this area it was decided to postpone ensuring the audit captures the new workforce planning strategy.</p> <p><i>This audit will assist in mitigating the Personnel risks as outcomes will achieve proactive management of staff retention in line with matching workforce capabilities with service provided as aligned in the Strategic Plan. Personnel is currently rated as high inherent risk and high residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					

Name of Audit	Strategic Risk / Residual Risk Rating	Portfolio	Type of Audit	In-house/ provider	Commencement Date
Record Keeping Audits	Compliance Moderate	Corporate Services	Compliance	In-house	May 2023
<p>This internal audit is a recommendation by the ICAC Commissioner on an annual basis and a random check on recordkeeping by sampling a selection of staff from each portfolio will be performed. This audit will be developed and facilitated in conjunction with Information Management as per requirements in the Record Keeping Operating Guideline.</p>					
<p><i>This audit will assist in mitigating the Compliance risk as outcomes will ensure that CoA employees are adhering to the Records Management Operating Guideline and the State Records Act 1997. Compliance is currently rated as moderate inherent risk and moderate residual risk on Council's Strategic Risk & Opportunity Register.</i></p>					