



Central Hawke's Bay District Council

Proposed Internal Audit Plan 2019-20

8 August 2019

Draft for Discussion

1 Audit Plans for the period July 2019 to June 2022

No.	Audit Project/ Activity	Start Date	Planned hours	Audit objective
2019/20 Financial Year				
1	Procurement and Purchasing Audit	TBC	60	The objective of this audit will be to assess the current procurement procedures and strategies in place at Central Hawke's Bay District Council and to identify potential improvements to the efficiency and effectiveness of procurement activities.
2	Administration and follow-up	Ongoing	15	Ongoing communication with the CHBDC Internal Audit Sponsor, reporting for Risk & Audit Committee meetings, planning and follow-up activities as required.
	TOTAL		75	
2020/21 Financial Year				
3	Data Analytics	TBC	60	We will perform a data analysis review that involves analysis of master file data and transaction data for payroll and vendor payments. The testing outcomes are achieved by the extraction, validation and analysis of the relevant data files from the payroll and finance application systems. This data is then imported into data analysis software where the specified tests are performed upon the logical structure and reasonableness of the data, to identify any anomalies.
4	Administration and follow-up	Ongoing	15	Ongoing communication with the CHBDC Internal Audit Sponsor, reporting for Risk & Audit Committee meetings, planning and follow-up activities as required.
	TOTAL		75	
2021/22 Financial Year				
5	Business Continuity Planning	TBC	70	The objective of this review will be to measure the maturity of business continuity planning at the Central Hawke's Bay District Council in ensuring that appropriate recovery strategies are in place to mitigate risks to the continuity of core Council services and infrastructure.

6	Administration and follow-up	Ongoing	15	Ongoing communication with the CHBDC Internal Audit Sponsor, reporting for Risk & Audit Committee meetings, planning and follow-up activities as required.
	TOTAL		85	

Internal Audit Universe (2019/20-2021/22)

The list of assignments below indicates the range of typical audits that would be undertaken over a period of time at a local authority. The prioritisation of audits to be selected should be made based on existing risk assessments and other assurance activity that is received by the Council.

Audit Project / Activity and Brief Scope		Prior Years	2019/20 Plan	2020/21 Plan	2021/22 Plan
Governance					
1	Risk Management Process Review: Review of Risk Management policies and procedures				
2	Development of Risk Policy and Framework: Facilitation of Strategic and Operational Risk Assessment processes.				
3	Development of Assurance Map: Identify the assurance processes in place over the high rated risks to allow the Audit & Risk Committee to determine areas where further internal audit activity may be required.				
4	Ethics: Review of the Council's ethical standards and procedures including codes of conduct, protected disclosures policies, conflicts of interest policies and programmes				

Audit Project / Activity and Brief Scope		Prior Years	2019/20 Plan	2020/21 Plan	2021/22 Plan
5	<p>Strategic Planning Process (Annual Plan/Long-Term Plan):</p> <ul style="list-style-type: none"> Review the adequacy of the procedures and practices with respect to the annual and long term planning processes covering Consultation/engagement with the community, Council staff and Councillors in developing the Annual Plan. Degree to which the Council Plan and annual plan reflects Council and community priorities The timeliness of development of the Annual Plan and coordination / resourcing through the Annual Budget and Capital Works Program The process for monitoring and reporting on achievement of Annual Plan actions. 				
6	<p>Decision-Making Processes:</p> <p>Review of delegated authorities to ensure clear principles and guidelines for the delegation of authority are documented, promote timely, efficient and appropriate decision-making and are adhered to.</p>				
Statutory and Regulatory Compliance					
1	<p>Rates Management:</p> <p>Review of the policies, procedures and controls in place over the calculation and collection of rates.</p>				
2	<p>Regulatory Revenue:</p> <p>Review of the policies, procedures and controls in place to ensure the completeness of fee setting, invoicing and collection, enforcement actions and integrity of information systems for the following functions:</p> <ul style="list-style-type: none"> Parking Animal Control Environmental Health Other bylaws 				
3	<p>Resource and Building Consents</p> <p>Review of the resource and building consent processes covering:</p> <ul style="list-style-type: none"> Compliance with the RMA/BCA Compliance with the District Plan 				

Audit Project / Activity and Brief Scope		Prior Years	2019/20 Plan	2020/21 Plan	2021/22 Plan
	<ul style="list-style-type: none"> • Fee setting, invoicing and collection 				
Finance					
1	Fraud Risk Management: Assess the Council's performance against key attributes of a better practice fraud control program (drawn from AS 8001:2008 Fraud and Corruption Control)				
2	Cash Handling: Review the of the cash handling procedures in place at selected Council locations such museums, libraries, waste and recycling centres, car parks and swimming pools.				
3	Procurement and Purchasing: Review procurement strategies and procedures identify potential improvements to the efficiency and effectiveness of procurement activities and Review of controls over purchasing activities (purchase order and invoice approvals) and expenditures.		✓		
4	Data Analytics: Annual Data Analytics exercise over payroll and payables master and transactional data to identify potentially suspicious relationships, trends and transactions.			✓	
5	Accounts Receivable and Credit Control: Review of policies, procedures and controls over invoicing, collection of revenues and credit management.				
6	Sensitive Expenditure Review of policies, procedures and controls over purchasing activities (purchase order and invoice approvals) and expenditures to meet OAG expectations for Sensitive expenditure.				
7	Fixed Asset Management:				

Audit Project / Activity and Brief Scope		Prior Years	2019/20 Plan	2020/21 Plan	2021/22 Plan
	Review of policies, procedures and controls in place for safeguarding and verifying the existence of fixed assets including disposal procedures and procedures for monitoring the existence of assets.				
8	Grants: Review of policies, procedures and controls over the awarding of grants including criteria for awarding grants, consistency, transparency and management of conflicts of interest and monitoring of use of grants.				
Operations and Infrastructure					
1	Management of Contractors: Review of the policies, procedures and controls in place over the engagement of external contractors at the Council.				
2	Buildings Management: Review of the policies, delegated authorities, procedures and controls in place over condition and usage of council-owned properties.				
3	Capital Works Management: Review of the policies, procedures and controls in place for developing, approving and monitoring performance of capital works programmes.				
4	Contract Management: Review of policies, procedures and controls in place over contracts including delegated authorities, tender procedures, monitoring of contractual terms (SLAs, renewal and termination clauses) and monitoring performance of contracted parties.				
5	Project Management Methodology:				

Audit Project / Activity and Brief Scope		Prior Years	2019/20 Plan	2020/21 Plan	2021/22 Plan
	Review of the Council's project management methodology against better practice standards.				
6	Water Supply/Waste Water Management: Review of policies, procedures and controls in place over key water and waste risks including quality performance monitoring, monitoring of key supply and maintenance contracts, emergency response plans and fee setting and invoicing procedures.				
7	Asset Management: Review of processes and controls to ensure alignment between Asset Management Plans, Activity Management Plans and Long Term Plans.				
8	Events Management: Review of the policies, procedures and controls in place over the planning and management of major events and festivals.				
Information Services					
1	Business Continuity and Disaster Recovery Planning: Review of the effectiveness of the Council's business continuity procedures in place to respond to a disaster.				✓
2	External IT Network Vulnerability Assessment/Cyber Security Assessment of the Council's corporate perimeter systems for any potential vulnerability which would allow an unauthorised user to gain access to those systems.				
3	Records Management: Review of the policies, procedures and controls in place over the retention, destruction and confidentiality of Council documents and records.				
4	IT Security Management:				

Audit Project / Activity and Brief Scope		Prior Years	2019/20 Plan	2020/21 Plan	2021/22 Plan
	Review of the design and operation of the Council's IT Security policies and procedures to protect sensitive data and systems from unauthorised access or alteration.				
Human Resources					
1	HR Practices: Review of key HR policies and procedures including recruitment, training, performance appraisal, staff retention and succession plans, disciplinary procedures and security of personal information.				
2	Payroll: Review of the payroll procedures and practices to assess whether the controls and processes ensure complete, accurate and timely processing of payroll information.				
3	Health and Safety: Review of the extent to which the Health & Safety-related policies and procedures in place at the Council meet the requirements of the Health and Safety at Work Act (2015)				

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