

<b>Audit Plan – Internal Audit</b>	
<b>Prepared by:</b>	Internal Auditor
<b>Responsible Officer:</b>	Internal Auditor
<b>Stakeholders:</b>	Audit, Risk and Governance (ARG) Committee Chief Executive Officer

## Purpose

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Shire's internal control environment.

This document is to provide an Internal Audit Plan for the period November 2021 to November 2022 for the Shire of Serpentine Jarrahdale (the Shire).

## Background and Approach

This plan is prepared in alignment with Internal Audit Charter – Internal Audit (SJ2895) which details the following:

The Internal Auditor will report functionally to ARG and administratively to the Chief Executive Officer. The key responsibilities of ARG is to approve and provide feedback on internal audit planning.

The content of this plan was generated from:

- Risk areas identified through a discussion with the Executive Management Group of the Shire.
- Postposed audit activity from the 2020 Internal Audit Plan that is yet to be delivered.

## Internal Audit Plan Objectives

The objectives of the Internal Audit Plan are to:

- Detail auditable activities, areas and processes; and
- Continued to guide internal audit activities.

Internal Audit continues to work towards the following value proposition:

<b>Assurances</b>	Internal Audit provides value-based assurance on the organisation's governance, risk management and control processes to help the organisation achieve its strategic, operational and financial objectives;
<b>Insight</b>	Internal Audit is the catalyst for improving an organisation's effectiveness and efficiency by providing insight and recommendations based on analyses and assessments of data and business processes; and
<b>Objectivity</b>	With commitment to integrity and accountability, Internal Audit provides value to governing bodies and senior management as an objective source of independent advice.

## Audit Activities

Internal Audit is striving to a 'value-based' Internal Audit function. The core services offered through Internal Audit within the Shire include:

Area	Coverage	Audience
<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>• Activities scheduled through formal audit planning processes (including multi-stage audits); and</li> <li>• CEO and Director initiated Internal Audit processes.</li> </ul>	<ul style="list-style-type: none"> <li>• Council;</li> <li>• ARG;</li> <li>• CEO; and</li> <li>• Directors.</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>• Awareness and education of Internal Audit and internal controls.</li> </ul>	<ul style="list-style-type: none"> <li>• Whole of organisation.</li> </ul>
<b>Advisory</b>	<ul style="list-style-type: none"> <li>• Process and internal control advisory, working with underlying principles of internal audit to maintain independence of processes (includes probity).</li> </ul>	<ul style="list-style-type: none"> <li>• CEO;</li> <li>• Directors; and</li> <li>• Managers.</li> </ul>

## Status Reporting

Status reporting against planned activities will occur on a quarterly basis to coincide with ARG meetings.

## Internal Audit Plan November 2021- November 2022

The following is an overview of audit activity within the Shire:

Carry Over from 2020 Internal Audit Plan, New or Ongoing	Internal Audit Activity	Frequency	2021			2022
			Nov - Jan	Feb - May	June - Aug	Sept - Nov
--	Internal Audit Plan 2022					
New	Youth Services (1)	Scheduled	●			
New	Asset Management (2)	Scheduled		●		
Carry over	Payroll and Leave Management (3)	Scheduled			●	
New	Event Management (4)	Scheduled			●	
Carry Over	Swimming Pool Inspections (5)	Scheduled				●
New	IT General Management Controls	Scheduled				●
Carry Over	Firebreak Inspections / Management (6)	Scheduled				●
Ongoing	Compliance Audit Return	Annually	●			
Ongoing	Annual Report	Annually				●
Ongoing	Quarterly Reporting	Quarterly	●	●	●	●
Ongoing	Status Report – Internal Audit	Quarterly	●	●	●	●
Ongoing	Audit Recommendation Tracking	Quarterly	●	●	●	●
--	Other Activities	Ad-hoc				
Ongoing	CEO / Director Requests	Ad-hoc				
Ongoing	Office of the Auditor General Audit Reports (Health Checks)	Ad-hoc				
Ongoing	Advisory and Education	Ad-hoc				

KEY		Ongoing audit activity		Completed Audit activity
		Scheduled audit activity		Delayed / cancelled audit activity
		Audit activity unable to be achieved		

**AUDIT PLAN 2021- 2022 - INTERNAL AUDIT**

Name	Type	Scope	Objectives
Youth Services (1)	Performance	<p>The scope of the Internal Audit will focus on the process, BOP's and policies developed for the Shire youth services as well as the application of them.</p> <p><b>Audit Directorate:</b> Community and Organisational Development</p> <p><b>Audit Area:</b> Community Activation</p> <p>Links to strategic risk areas: Risk 11: Community Engagement [Moderate] Risk 5: Organisation Efficiency [Moderate].</p>	<p>Provide reasonable assurance in relation to adequacy and effectiveness of:</p> <ul style="list-style-type: none"> <li>• Compliance / alignment with relevant Acts and Regulations.</li> <li>• Business operating procedures and guidelines.</li> <li>• Roles and responsibilities are clearly defined.</li> <li>• Communication processes.</li> <li>• Records management.</li> </ul>
Asset Management (2)	Financial / Performance	<p>The scope of the Internal Audit will focus on Asset Management processes, planning and strategy within the Shire.</p> <p><b>Audit Directorate:</b> Corporate Services</p> <p><b>Audit Area:</b> Financial Services</p> <p>Links to strategic risk areas: Risk 3: Financial Stability [Moderate] Risk 5: Organisation Efficiency [Moderate]. Risk 8: Asset Management [Significant]</p>	<p>Provide reasonable assurance in relation to adequacy and effectiveness of the following:</p> <ul style="list-style-type: none"> <li>• Alignment to Council Policy and compliance with relevant Acts and Regulations.</li> <li>• Business operating procedures and guidelines.</li> <li>• Roles and responsibilities are clearly defined.</li> <li>• Tracking, monitoring and reporting of assets.</li> <li>• Meeting and maintaining of purposing / conditions / requirements to and from the Shire for assets.</li> <li>• Processes for entering into arrangements.</li> <li>• Management of third parties.</li> <li>• Communication.</li> <li>• Operational responsibility, tracking, monitoring, follow-up and management.</li> <li>• Records management.</li> </ul>

**AUDIT PLAN 2022 – INTERNAL AUDIT**

Name	Type	Scope	Objectives
Payroll and Leave Management (3)	Financial / Performance	<p>The scope of the Internal Audit will focus on payroll and leave management activities within the Shire.</p> <p><b>Audit Directorate:</b> Corporate Services and Community and Organisational Development</p> <p><b>Area:</b> Financial Services and People, Wellbeing and Development.</p> <p>Links to strategic risk areas:            Risk 2: Organisational Workforce [Significant]            Risk 5: Organisation Efficiency [Moderate].</p>	<p>Provide reasonable assurances in relation to the adequacy and effectiveness of governance for payroll and leave management, including:</p> <ul style="list-style-type: none"> <li>• Compliance / alignment with relevant Acts and Regulations.</li> <li>• Business operating procedures and guidelines.</li> <li>• Roles and responsibilities are clearly defined.</li> <li>• Commencements and departures.</li> <li>• Payroll including; payrun, amendments, self-service, deductions, reimbursements, entitlements.</li> <li>• Amendments to employee details and pay rates.</li> <li>• Perform testing on a sample basis over a selection of pay runs to confirm accuracy of payments to employees, completeness and timeliness of payments.</li> <li>• Administration, usage and monitoring of leave.</li> <li>• User access / segregation of duties.</li> <li>• Management of standing data.</li> <li>• Records management (including confidentiality).</li> </ul>

### AUDIT PLAN 2022 – INTERNAL AUDIT

Name	Type	Scope	Objectives
Event Management (4)	Performance	<p>The scope of the Internal Audit will focus on the Shire’s policy, guidelines and approval for both community delivered events and events held by Shire.</p> <p><b>Audit Directorate:</b> Development Services and Community and Organisational Development</p> <p><b>Audit Area:</b> Health and Building Services and Community Activation</p> <p>Links to preliminary draft strategic risk areas: Risk 11: Community Engagement [Moderate] Risk 5: Organisation Efficiency [Moderate].</p>	<p>Provide reasonable assurance in relation to adequacy and effectiveness of:</p> <ul style="list-style-type: none"> <li>• Alignment to Council Policy and compliance with relevant Acts and Regulations.</li> <li>• Business operating procedures and guidelines.</li> <li>• Roles and responsibilities are clearly defined.</li> <li>• Communication processes.</li> <li>• Records management.</li> </ul>
Swimming Pool Inspections (5)	Performance	<p>The scope of the Internal Audit will focus on the management and delivery of swimming pool inspection activities within the Shire.</p> <p>The period of testing will focus on inspection processes undertaken in the last 12 months. This may be extended depending on initial review of processes.</p> <p><b>Audit Directorate:</b> Development Services</p> <p><b>Area:</b> Health and Building Services</p> <p>Links to preliminary draft strategic risk areas: Risk 5: Organisation Efficiency [Moderate]</p>	<p>Provide reasonable assurance in relation to adequacy and effectiveness of the following:</p> <ul style="list-style-type: none"> <li>• Alignment to Council Policy and compliance with relevant Acts and Regulations.</li> <li>• Business operating procedures and guidelines.</li> <li>• Roles and responsibilities are clearly defined.</li> <li>• Planning processes.</li> <li>• Inspection processes.</li> <li>• Identification and management of non-compliances.</li> <li>• Communication processes.</li> <li>• Follow-up inspections.</li> <li>• Monitoring, reporting and escalation.</li> </ul>

**AUDIT PLAN 2022 – INTERNAL AUDIT**

Name	Type	Scope	Objectives
Firebreak Inspections (6)	Performance	<p>Risk 11: Community Engagement [Moderate].</p> <p>The scope of the Internal Audit will focus on the planning, management and execution of firebreak inspection activities within the Shire.</p> <p><b>Audit Directorate:</b> Development Services</p> <p><b>Audit Area:</b> Emergency Services</p> <p>Links to preliminary draft strategic risk areas:            Risk 6: Bushfire Management [Significant]            Risk 11: Community Engagement [Moderate]            Risk 5: Organisation Efficiency [Moderate].</p>	<p>Provide reasonable assurances in relation to the adequacy and effectiveness of firebreak inspection firebreak inspections, including:</p> <ul style="list-style-type: none"> <li>• Alignment to Council Policy and compliance with relevant Acts and Regulations.</li> <li>• Business operating procedures and guidelines.</li> <li>• Roles and responsibilities are clearly defined.</li> <li>• Planning processes; including identification and prioritising of risk areas.</li> <li>• Monitoring and reporting of progress.</li> <li>• Community communications.</li> <li>• Responding to community concern.</li> </ul>