



Strategic Internal Audit Plan July 2019 to June 2022

Monash City Council

January 2020

MCC-IA Three Year Rolling Plan (Updated Draft v5.1)



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1. Executive Summary

Crowe was appointed as Council's Internal Audit provider for a three-year term effective 1 July 2019.

Crowe was provided with key strategic documentation to consider and identify proposed audit topics for the next three years.

In developing the plan, the following elements were also considered:

- Strategic risk areas – October 2019
- Assurance Mapping review:
 - Consideration of the Monash City Council's Internal Self Assessments
 - Past internal audit activity
- Consideration of audit activity proposed by the Victorian Auditor-General's Office
- Consideration of the Council Plan 2017-2021 Objectives.

Section Two:	Annual Plan July 2019-2020
• 2.1	Summary of Proposed Audit Timing
• 2.2	Various Financial Control over three years
• 2.3	Coverage by Directorate
• 2.4	Internal Audit Program
Section Three:	Measuring Performance
Section Four:	IA Universe (three-year rolling plan).
Section Five:	Summary of Council Priorities
Section Six:	Summary of Strategic Risk Areas

2. Annual Plan July 2019 to June 2020

2.1 Summary: Proposed timing of internal audit projects

No	Internal audit project	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20
-	Follow up of prior recommendations												
2019-20 Annual Program													
1	Child Safety Standards		■				▲*						
2	Community Grants					■				▲*			
3	Assurance Mapping			■			▲*						
4	Tree Management				■		▲*						
5	Capital Works Program Management								■				▲*
6	Animal Management									■			▲*
7	Various Financial Controls – Payroll – Employee Payments, Superannuation , EBA & Award interpretation & Cash Handling		▲*							■			
Internal Audit Support													
I.	SIAP development 2019-20	■	▲*										▲*
II.	Engagement and attending meetings												

■ Audit field work and report writing and ▲* Denotes Audit and Risk Committee Meeting to which the Internal Audit Report will be presented.
(Committee dates for 2019-20 to be confirmed)

2.2 Various Financial Functions

Various Financial Functions (3-year cycle)	2019 - 20	2020 - 21	2021- 22
Assets (non-infrastructure)			
Purchasing Cards			
Accounts Payable			
Accounts Receivable - rates			
Accounts Receivable – sundry debtors			
Cash Handling	CAHC, MGA	Libraries, Halls	Civic Centre & Oakleigh Serv Centre and MARC
Procurement (below the tender threshold)			
GST compliance			
FBT compliance			
Electronic funds transfer			
Payroll – Employee Payments, Superannuation, EBA & Award interpretation			

Blue: Scheduled; Orange: Proposed

2.3 Coverage by Directorate

Internal Audit Title	CD	CDS	CFO	COO	EXP	EXC	IN
Child Safe Standards							
Community Grants							
Assurance Mapping							
Tree Management							
Capital Works							
Animal Management							
Various Financial Functions – Employee Payments, Superannuation, EBA & Award interpretation & cash Handling							

Blue: Lead department – Orange: Support department

Key:

CD - City Development
CDS - Community Development and Services
CFO - Chief Financial Officer
COO - Chief Operating Officer
EXP - Executive Management – People & Culture
EXC - Executive Management – Communications
IN - Infrastructure

2.4 Internal Audit Program (FY2019-20)						Links to strategic risk (SR)
	Audit Project	Start Date	Proposed Hours+	Est'd Fee \$* Ex GST	Indicative (Brief) Scope	
1	Child Safe Standards	Sept 2019	120	16,500	<p>Child Safe Standards</p> <p>The review will consider Council's practices to ensure compliance with the following Child Safe Standards: by assessing the processes to comply with the Child Safe Standards including:</p> <ul style="list-style-type: none"> ▪ Standard 1: Strategies to embed an organisational culture of child safety, including through effective leadership arrangements. ▪ Standard 2: A child safe policy or statement of commitment to child safety. ▪ Standard 3: A code of conduct that establishes clear expectations for appropriate behaviour with children. ▪ Standard 4: Screening, supervision, training and other human resources practices that reduce the risk of child abuse by new and existing personnel. ▪ Standard 5: Processes for responding to and reporting suspected child abuse. ▪ Standard 6: Strategies to identify and reduce or remove risks of child abuse. ▪ Standard 7: Strategies to promote the participation and empowerment of children. <p>Review the practices of two sites within council as well as issue a survey to all employees with a council issued email address.</p>	3,9
2	Community Grants	Nov 2019	120	16,500	<p>Community Grants</p> <p>With respect to community funding programs review the adequacy of the:</p> <ol style="list-style-type: none"> 1. Relevance of the allocation process to stated council objectives and endorsed direction 2. Community notification and advertising process. 3. Application process, (including guidance to community groups and determination of eligibility criteria). 4. Receipt of applications 5. Assessment of applications 6. Awarding and notification process 7. Acquittal process of previous grants 	9

2.4 Internal Audit Program (FY2019-20)						Links to strategic risk (SR)
	Audit Project	Start Date	Proposed Hours+	Est'd Fee \$* Ex GST	Indicative (Brief) Scope	
					8. Segregation of tasks to ensure that there is a separation in departments assisting groups with the application process and the assessment and awarding recommendation process.	
3	Assurance Mapping	Sep 2019	100	13,750	The purpose of this review is to map the documented assurance activities against the current strategic risk profile and extreme and high operational risks across the three lines of defence to understand the level of coverage and assess if the coverage is adequate. A risk profile incorporates a description of the risk, the nominated existing controls to manage the risk and the overall risk rating.	-
4	Tree Management	Oct 2019	145	19,937	This review will focus on adequacy of: <ol style="list-style-type: none"> 1. Tree management policies, procedures and strategies 2. Processes for tree inspections and assessment to identify and mitigate the risk of future incidents. 3. Processes for reactive works – prioritisations of request and timeliness of actions 4. Processes for maintaining the tree amenity and retaining current tree 'stocks' within the municipality 5. Management of dead dying and dangerous trees 6. Council's processes with respect to the recommendation identified by the Coroners Court of Victoria with respect to the death of P. Schreiber – September 2013. 7. Management of contract conditions specific to the audit processes, qualifications and training of contract staff and tree inspection processes. 	8,4
5	Various Financial Controls - Payroll – Employee Payments, Superannuation, EBA & Award interpretation & Cash Handling	Feb 2020	180	24,750	Payroll <ul style="list-style-type: none"> • Employee Payments • Superannuation • EBA & Award interpretation Cash Handling and Petty Cash The objectives of the audit will review the adequacy of the processes that have been put in place to manage and control the: <ol style="list-style-type: none"> A. Cash receipting processes at the Customer Service Centres and Active Monash; and 	7

2.4 Internal Audit Program (FY2019-20)						Links to strategic risk (SR)
	Audit Project	Start Date	Proposed Hours+	Est'd Fee \$* Ex GST	Indicative (Brief) Scope	
					B. Petty cash processes at Active Monash Data Analytics Data analytics techniques will be applied across all areas subject to the availability of appropriate data.	
6	Capital Works Program Management	Feb 2020	150	20,625	Review the adequacy of internal controls with respect to: <ul style="list-style-type: none"> - Effectiveness of the application of the Project Management Framework to capital works projects / program. - Post implementation review of capital projects and programs. - Review and monitoring of the capital works projects, programs and portfolio. - Performance in meeting the annual capital works program. - Management of changes within the annual capital works program. - Management of the re-allocation of capital works project funds within the financial year. The review will include a review of five individual capital works projects.	1, 8, 4
7	Animal Management	Mar 2020	120	16,500	Review the adequacy of internal controls with respect to animal management, including: <ol style="list-style-type: none"> 1. The development of a Domestic Animal Management Plan (DAMP) in accordance with State Government requirements as outlined in Section 68A of the Domestic Animals Act 1994 (the Act). 2. Achievement of, and reporting on, the objectives set out in the 2017-21 DAMP 3. The adequacy of, and compliance with, processes in meeting the DAMP, including: <ol style="list-style-type: none"> a) Local Law Officer training b) Registration and identification of dogs and cats c) Management of nuisance caused by dogs and cats 	1, 9

2.4 Internal Audit Program (FY2019-20)						Links to strategic risk (SR)
	Audit Project	Start Date	Proposed Hours+	Est'd Fee \$* Ex GST	Indicative (Brief) Scope	
					d) Investigation and management of dog attacks e) Management of dangerous, menacing and restricted breed dogs f) Management of over-population and high euthanasia rates of impounded animals g) Complaints handling The audit excludes management and practices with respect to domestic animal businesses, operation of animal pounds, animal permits and contract management practices.	
	Client Engagement	Ongoing	50	6,875	Ongoing liaison, including preparation for and attendance at Audit & Risk Committee meetings.	N/A
	Development of Strategic Internal Audit Plan	Oct 2019	35	4,812	Development of the Strategic Internal Audit Plan.	N/A
	Total (ex GST)		1020	140,250	<i>Notes</i> (a) the fees are exclusive of GST. (b) Annual adjustments will be in accordance with movements in CPI at or near the anniversary of the contract.	

3. Measuring Performance

Key Performance Indicators	
Internal audit program	Client engagement Crowe and Management
<ul style="list-style-type: none"> ▪ Service provided with agreed timetable against the internal audit plan. 	<ul style="list-style-type: none"> ▪ Adequate client engagement.
<ul style="list-style-type: none"> ▪ Timeliness of reports submitted to management and the Audit & Risk Committee. 	<ul style="list-style-type: none"> ▪ Attendance at Audit & Risk Committee meetings.
<ul style="list-style-type: none"> ▪ Service provided within agreed fees and hours. 	<ul style="list-style-type: none"> ▪ Attendance at contract planning meeting.
<ul style="list-style-type: none"> ▪ Information provided by management within agreed MAP timelines. 	<ul style="list-style-type: none"> ▪ Attendance at Entry and Exit meetings.
<ul style="list-style-type: none"> ▪ Provision of management comments in agreed timeframe. 	

4. Internal Audit Universe – Three Year Rolling Plan

Council's internal audit universe outlines the focus of the three-year internal audit plan as determined against the 2019 strategic risk areas. The internal audit program is annually reviewed.

AUDITS	19-20	Proposed			AUDITS	19-20	Proposed		
		20-21	21-22	22-23			20-21	21-22	22-23
Accounts payable					Living and learning centres				
Accounts receivable					Maternal and child health				
Aged services					Mobile plant & equipment				
Animal Management	7				Occupational health and safety (staff)				
Asset management					Occupational health and safety – (contractors)				
Assets maintenance (ESM)					Parking enforcement administration/contract				
Assurance mapping	3				Playground maintenance				
Budget and budgeting					Privacy act compliance				
Buildings property - Maintenance					Professional advice - practices & controls				
Capital works management	6				Property portfolio management				
Cash handling and receipting					Procurement (below the tender threshold)				
Child care services					Public Health and Wellbeing Act compliance				
Child safe standards	1				Purchasing cards				
Climate change					Records management				
Contract management (Parking Contract)					Rates management				
Corporate Governance					Revenue & debt collection				
DRP and BCP					Risk management				
Customer service					Road management plan compliance				
Delegations and delegated levels of authority under the LGA									
Developer contributions – financial/ assets					Statutory planning				
FBT compliance									

AUDITS	19-20	Proposed			AUDITS	19-20	Proposed		
		20-21	21-22	22-23			20-21	21-22	22-23
Emergency management					Social Inclusion				
Fees and charges					Succession and workforce planning				
Financial Controls - various	5				Tree management	4			
Fleet management					Valuations				
Food Act compliance					Volunteer management				
Fraud management & prevention					Waste handling – landfill collection				
Fuel management (IBAC Response)					Waste handling - recycling				
Gifts and donations					Implementation of A Healthy and Resilient Monash: Integrated Plan				
Governance – Follow up review					Implementation of Service Planning & Review Framework				
Grants (community grants)	2								
Grants (non-recurring received by Council)									
GST Compliance									
Hall management									
Health act compliance									
Home and community care services									
Human Resources – Recruitment and Induction									
IT E-commerce/PCI									
IT general security & access controls									
IT - Cyber Security									
Infrastructure delivery (partnerships)									
Immunisation management									

AUDITS	19-20	Proposed				AUDITS	19-20	Proposed		
		20-21	21-22	22-23				20-21	21-22	22-23
Infringements & permits system										
Insurance and claims										
Landfill rehabilitation										
Leisure centres										
Leases and Licences										
Library facilities										
Local Government Act (New)										
Local laws enforcement										

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5. Summary of Council's Priorities and Goals

Council Priority	Council Goal	Key strategies
A Liveable Sustainable City	We value our natural environment and want to preserve and enhance the leafy and green character of our city. Monash's desirability as a place to live, learn, work and play needs to be protected	<ul style="list-style-type: none"> • Strengthening our strategic policy and local planning framework • Advocacy for enhancement of the National Employment Cluster • Expanding our advocacy on residential development outcomes and integrated transport • Delivering responsive and sustainable waste management services • Increasing our community engagement and education about town planning, animal management and community laws • Proactively managing risks from climate change and reducing Council's greenhouse emissions
Inviting Open and Urban Spaces	We will continue to improve our public infrastructure, meeting places and open spaces, providing inclusive, safe and inviting places for community use	<ul style="list-style-type: none"> • Ensuring the 'walkability' of our City • Improving our green open spaces and linking up our bicycle trails • Enhancing our activity centres with an increased focus on the moveability and prioritisation of pedestrians • Committing to long term infrastructure and asset management planning • Renewing and maximising use of our community and sporting facilities • Preserving and expanding our bushland and passive open spaces
An Inclusive Community	Our people and our communities are healthy, connected and engaged.	<ul style="list-style-type: none"> • Supporting families and children to create a 'Child-Friendly City' • Strengthening Monash as an 'Age-Friendly City' • Enabling residents to live independently and safely in their own community • Fostering an equitable, just and inclusive Monash • Facilitating more engaged, socially connected communities • Delivering integrated planning and community strengthening

Council Priority	Council Goal	Key strategies
Responsive and Efficient Services	People can have a say in, and are at the centre of, our decisions. We will deliver affordable, respectful, responsive, reliable and high-quality services	<ul style="list-style-type: none"> • Delivering integrated planning and community strengthening • Enhancing community consultation and involvement in our decision-making • Delivering leading customer service • Investing in technology and information systems to enhance our services • Delivering responsive high-quality services • Planning for Council's financial sustainability

(Reference: Council Plan 2017-2021)

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7. Summary of Council's Strategic Risks

The following is a list of Councils Strategic Risks as at October 2019.

Risk REF	Strategic risk
1	Key decision making Council's ability to make key decisions in the best interest of the municipality
2	Workforce Sustainability Workforce capacity to meet changing community need.
3	Legislative Compliance Compliance with Legislation, Regulation & Policy.
4	Service Delivery Ensuring delivery of key services and projects.
5	Future Service Delivery Capacity to plan for services that meet contemporary community expectations and requirements
6	Infrastructure for service delivery Inability to maintain infrastructure & service delivery that meets community expectations.
7	Financial Sustainability Ability to fund future community needs.
8	Environment Capacity to manage emerging environmental issues.
9	Community Advocacy for and representing community needs.



Contact Us

Crowe Melbourne

Level 7, 181 William Street
Melbourne VIC 3000 Australia
GPO Box 4324

Melbourne VIC 3001 Australia

Tel +61 3 9258 6700

Fax +61 3 9258 6722

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