

Internal Audit Plan
Development

Internal Audit Plan for
FY2017/18

Multi Year Plan and
Rotational Audits



Rangitikei
UNSPOILT...

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Internal Audit Plan 2017/18

September 2017

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Internal Audit Plan Development

We set out in this document the detailed Internal Audit Plan for the year ending 30 June 2018, which has been targeted around key areas for Rangitikei District Council (RDC).

Strategy

Typically, core internal audit services would include a combination of controls based and risk based work covering the following:

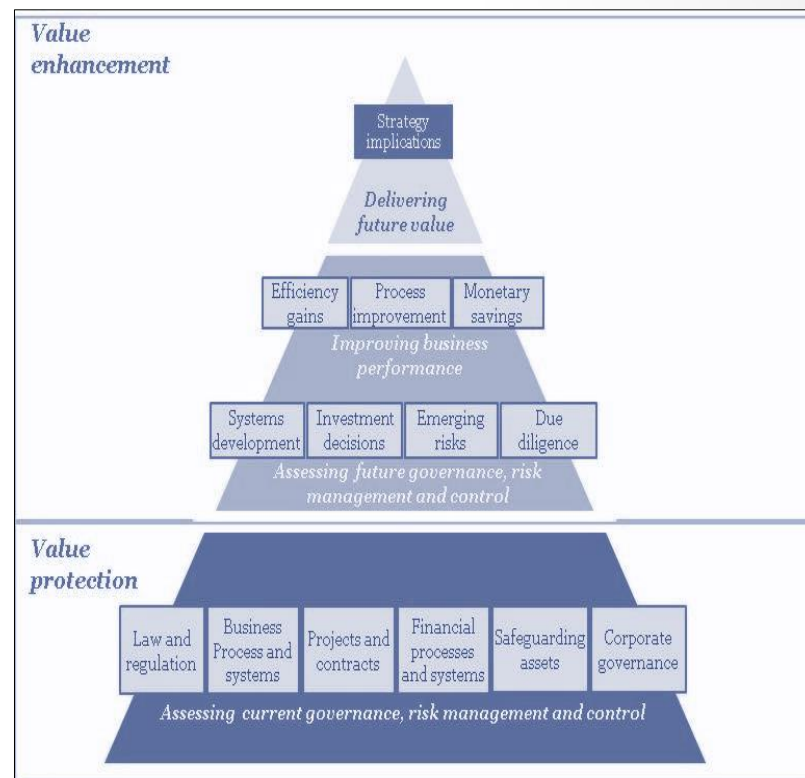
- the adequacy of RDC's internal control framework.
- the effectiveness of RDC's risk management framework.
- compliance with applicable laws and regulations.
- compliance with RDC's own policies and procedures.
- the adequacy and effectiveness of business processes, procedures and activities.

The current year focus has been on **value protection** to provide assurance on the adequacy and effectiveness of management control over key business processes.

In looking at the longer term strategic plan, the internal audit approach will seek to incorporate a balance between value protection and value enhancement reviews. The traditional internal audit role, focusing on governance, risk management and control over your enabling core business processes and systems, can assist management in **value protection**. However, focussing on the performance of business strategies, effectiveness of key initiatives and business risk management, for example, process and systems development, can assist management in delivering on its objectives, and forms a key role of **value enhancement**.

The strategy has given due consideration to the following factors:

- Prior internal audits and existing assurance gained from other assurance providers;
- The maturity of systems and processes, and taking into account known issues;
- The expectations of the Audit and Risk Committee and Senior Leadership Team; and
- The most recent risk register of material risks.



Internal Audit Plan Development

Approach

Internal Audit is committed to taking an **innovative approach**, emphasising our partnership by leveraging RDC resources in delivering internal audits, bringing efficiencies through data where possible-enabling our internal audits, and being a positive catalyst for change with internal audit reports that go beyond delivering just findings but seek to tell the story and allows co-creating of recommendations.

We have worked closely with management to develop the FY2017/18 Internal Audit Plan. The following details our approach:



Internal Audit Plan for FY2017/18



Internal Audit Plan for FY2017/18

Engagement	Timing	Internal Audit Approach	Budgeted Hours	Internal Audit Strategy
NZTA Claims	Q4	A review of the completeness of the 2017/18 NZTA Subsidy Claim.	45	Value protection
Cash Handling	Q2	<p>A follow up review to provide assurance to the Chief Executive that:</p> <ul style="list-style-type: none"> Cash is received, controlled, accounted for, deposited in a timely manner and in compliance with applicable policy; Cash receipting practices of Council's agents are appropriate and all cash is received, controlled, accounted for, deposited in a timely manner; Petty cash is properly accounted for, adequately safeguarded, and is used for its intended purpose. 	45	Value protection
Procurement and Contract Management	Q3	<p>The review will consider:</p> <ul style="list-style-type: none"> Policies and procedures in respect of procurement and contract management have been compiled and circulated; Procurement activities are accurately measured, recorded, reported on and monitored; Procurement is conducted in accordance with RDC Policies and delegations of authority; Contracts are awarded at arm's length , also considering price and quality; Contracts entered into are adequate, safeguard Council interests and stand up to legal scrutiny. Contractors are paid for work actually performed in terms of contract requirements and transactions are accurately recorded and reported. 	60	Value protection
Audit and Risk Committee Attendance and Reporting	Q2-Q4	Quarterly meetings with the ARC Chair, attendance of the ARC meetings and preparation of the ARC report.	10	
		Total Audit Input	160	

Multi Year Plan and Rotational Audits

Audit/Review	Year last assessed	2017/18	2018/19	2019/20
Rotational Reviews				
Cash Handling (every 3 years)	2015/16	Q2		
Procurement and Contract Management (every 2 years)	2015/16	Q3		Q3
NZTA Claims (annual)	2015/16	Q4	Q4	Q4
Sensitive Expenditure (every 2 -3 years)			Q2	
Works Order Management (every 2-3 years)	2015/16		Q1	
Programmed Assessments				
In addition to the above Rotational Audits, the Audit and Risk Committee has expressed interest in the following areas:				
Asset Management			Q3	
Payroll				Q1
Insurance Management			Q1	
Antifraud Assessment				Q2