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ITEM: 9

SUBJECT: INTERNAL AUDIT BRANCH ACTIVITIES REPORT FOR THE PERIOD 16 AUGUST 2019 TO 29 OCTOBER 2019

AUTHOR: CHIEF AUDIT EXECUTIVE

DATE: 29 OCTOBER 2019

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### **EXECUTIVE SUMMARY**

This is a report concerning the activities of Internal Audit undertaken since 16 August 2019 and the current status of these activities.

### **RECOMMENDATION/S**

**That the report be received, the contents noted and the recommendations in Attachments 3 and 4, be considered finalised and archived.**

### **RELATED PARTIES**

Not applicable

### **ADVANCE IPSWICH THEME LINKAGE**

The intention is for the Internal Audit activity to support all five themes:

- Strengthening our local economy and building prosperity
- Managing growth and delivering key infrastructure
- Caring for the community
- Caring for the environment
- Listening, leading and financial management

Individual internal audits and corrupt conduct investigations will to a varying degree support these themes, but the main objective for Internal Audit is to support the organisation in achieving its objectives.

### **PURPOSE OF REPORT/BACKGROUND**

The purpose of this report is to keep the Audit and Risk Management Committee informed and to report on performance of the Internal Audit Branch:

- Report the status of the audits currently under way
- Summary of the activities of the Internal Audit Branch
- Annual Performance Report and Assertion on Internal Auditing Standards
- Report the status of the audit recommendations from completed audits

The supply of the information to the Mayor, the Chief Executive Officer and Audit and Risk Management Committee, is a requirement of the Internal Audit Charter.

### **Internal Audit Report Register (Attachment 1)**

This is a historic register recording the reference number of formal reports produced, audits commenced, report status and date completed for the last number of years.

### **Audits, Reviews, Projects and Activities (Attachment 2)**

This is a report on audits, reviews, projects and activities that were conducted during the period or in progress as at 29 October 2019.

### **Audit Recommendations (Attachments 3 and 4)**

Extracted from the Audit Recommendations System, these reports list all Internal and External Audit recommendations (with management comments and responses) that managers advise have been implemented since the report made to the last Audit and Risk Management Committee meeting. This report is presented to the Audit and Risk Management Committee prior to the recommendations being finalised and/or archived.

### **FINANCIAL/RESOURCE IMPLICATIONS**

Resources are provided to internal audit through the annual audit plan and budgeting processes. No additional resources were required because of this report. However situations will dictate if internal audits and investigations have to be outsourced and also management will have to consider their implications to implement the recommendations as per the individual reports.

### **RISK MANAGEMENT IMPLICATIONS**

Each of the individual reports provides for a control environment opinion as well as individual risk ratings per individual findings and recommendations. The importance is for management to implement the individual recommendations well to either address or diminish the exposure for Council, or explain why it is acceptable to not implement the suggested improvements. As per the corrupt conduct investigation, the findings and risks vary in each situation and are discussed in the confidential reports. Having said that the key risks are still if the information is not well presented, well understood or does not generate an appropriate response.

### **LEGAL/POLICY BASIS**

This report and its recommendations are consistent with the following legislative provisions:

*Local Government Act 2009*

*Local Government Regulation 2012*

*Crime and Corruption Act 2001*

## COMMUNITY AND OTHER CONSULTATION

Internal Audit mostly consults internally to the organisation and its management in conducting the internal audits and finalising the reports. For investigations the appropriate consultations take place as the situation allows and requires.

## CONCLUSION

During the period under review the Internal Audit Branch undertook a number of activities, including as listed in Attachment 2.

During the course of Internal Audit activities, contributions to the improvement of operational procedures, practices and the control environment have been achieved.

## ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Internal Audit Register
	CONFIDENTIAL
2.	Internal Audit Activity Report
3.	Internal Audit Recommendations Implemented
4.	External Audit Recommendations Implemented

Freddy Beck

**CHIEF AUDIT EXECUTIVE**

I concur with the recommendations contained in this report.

Freddy Beck

**CHIEF AUDIT EXECUTIVE**

***“Together, we proudly enhance the quality of life for our community”***