



2020 – 2021 Internal Audit Work Plan

Built Infrastructure	General Scope	Rationale for Selection
Quarry Operations	<p>The objective of the review was to provide an assurance over process efficiency, controls and compliance. The scope of the audit included:</p> <ul style="list-style-type: none"> • Safety and Health (including risk management) • Major Contracts, Payments and Stockpile Management • Revenue (Internal Sales). 	<p>Last review September 2016 which identified deficiencies regarding the ongoing effectiveness of the Safety and Health Management System.</p> <p>Business case currently being developed to replace asphalt plant.</p>
Business Performance	General Scope	Rationale for Selection
Procurement and Contract Management – Contract Award and Contract Extensions	<p>Provide assurance around contract planning, value for money and compliance associated with lower value contract award and contract extensions.</p> <p>Lower value contracts are managed directly by the business areas and have less exposure to corporate oversight in relation to contract planning, value for money and compliance. Large value contracts have oversight of Procurement Contracts Committee.</p>	<p>Council adopted to use the Strategic Contracting Framework in accordance with the Local Government Act and Regulations. The strategic approach to procurement across council's significant procurement expenditure of upwards of \$250 million per year, allows contracts to be formed through a framework developed and tailored to deliver value for the Sunshine Coast Council and provides significant opportunities to obtain better contracting outcomes.</p>



<p>Payroll</p>	<p>Payroll Masterfile – creation new employees and employee termination processes</p>	<p>Payroll system (SAP system PeopleHUB) was launched on 18 November 2019 with management status reports provided to the Audit Committee.</p> <p>Access control deficiencies identified in QAO 1st interim report presented at May Audit Committee.</p>
<p>Fraud Risk Assessment (FRA) - Payroll</p>	<p>Provide assurance that adequate control processes established to minimise fraud risk exposures. Also, the workshop environment provides enhanced training and education of fraud risk exposure.</p>	<p>The Australian Standard on Fraud and Corruption Control AS 8001:2008 recommends organisations review their fraud and corruption risks at least every two years.</p> <p>Council has implemented a rolling program of reviews with the Procurement Function and Accounts Payable being presented to the September 2019 Audit Committee.</p> <p>A FRA of the payroll process has not conducted previously.</p>





Solar Farm Energy Management – Revenue and Consumption Control Framework	Provide assurance around the financial controls of energy management associated with the management contract for solar farm revenue and council's energy consumption costs.	The solar farm energy management – revenue and consumption control framework has not been reviewed since the solar farm became operational in July 2017. Annual energy management is comprised of electricity costs of \$7 million and revenue of \$1.9 million.
Payment Request Process	The audit is to provide assurance over process efficiency, controls and compliance covering: <ul style="list-style-type: none"> • Appropriateness of Policy Framework and Guidelines • Control Frameworks both manual and electronic processes • Appropriate segregation of duties between requesting officer and the authoring officer, with delegation • Mandatory supporting documentation including tax invoices • Fraud risk exposures 	Last reviewed 2015 Substantial process changes since last review associated with move to online processes (electronic Payment Request Form and work-flowed via T1 Financials CiAnywhere). Significant expenditure of \$240M includes \$180M investments, property acquisitions.
OMCEO	General Scope	Rationale for Selection
Insurance Claims Management	Provide assurance around compliance and effectiveness of the insurance claims management process including: <ul style="list-style-type: none"> • adequacy of documentation, decision making, communications, file management • claims trend analysis and identifiable risk exposures with improvement opportunities • compliance with procedures, policy and legislation 	Process not previously reviewed : Approximately 195 claims (4 year average) received each year. On average 89% of claims are managed in-house with 11% referred to Local Government Mutual Services (Local Government self insurance scheme).