Internal Assurance Plan

FY2027-29

May 2026

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QUEENSTOWN LAKES DISTRICT COUNCIL

PURPOSE

The purpose of the Internal Assurance Plan is to provide **independent, targeted, and timely assurance** to Council and management over the effectiveness of governance, risk management, and internal control arrangements supporting the achievement of organisational objectives.

The Plan is delivered through three complementary assurance pillars — **Internal Audit, Fraud Control, and Continuous Monitoring** — which together provide a balanced mix of **periodic, preventative, and ongoing assurance** across key risk areas. These pillars are designed to strengthen transparency, early issue identification, and accountability, while reinforcing management ownership of controls and risk mitigation.

PLANNING PRINCIPLES

Strategic Alignment

- The Plan is aligned with Council's strategic objectives, Long Term Plan priorities, and organisational values to ensure assurance activities support key outcomes.

Risk-Based Planning

- The Risk Register was analysed to prioritise audit topics. Input from key stakeholders was incorporated to validate relevance and coverage.

Previous Activities

- Historical audits and open recommendations were reviewed to avoid duplication, monitor progress, and ensuring continuity in oversight.

Stakeholder Engagement

- Key process owners were consulted to capture insights and expectations from across the Council.

Rolling Approach

- A three-year rolling plan was adopted, with Year 1 defined and Years 2 and 3 intended as indicative, to be reviewed and updated annually in response to internal and external changes.

INTERNAL AUDIT PLAN

Internal Audit provides **independent, risk-based assurance** through structured reviews of processes, projects, and control environments. Audits assess whether controls are appropriately designed and operating effectively to manage key risks and comply with relevant policy, legislative, and governance requirements. Audit activities result in formal findings, recommendations, and overall opinions to support informed decision-making by management and the Risk and Assurance Committee.

#	Audit	FY2027				FY2028				FY2029			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Building Regulations Internal Assurance	○				○				○			
2	IT Access Management and General Controls	◐	◐										
3	Rates Forecasting and Financial Planning		◐	◐									
4	Asset Management Review		●										
5	Long Term Plan Legislative Compliance Review		○										
6	Performance Measurement and Reporting			●									
7	Grants and Community Funding Allocation Review				◐								
8	Records and Information Management Controls					●							
9	H&S Contractor Management System						○						
10	Governance and Policy Management Framework						○						
11	Budgeting and Financial Planning Controls							●	●				
12	Customer Service and Complaints Management							○					
13	People & Capability Processes								●				
14	Capital Project Delivery									●			
15	Regulatory Services Operations and Compliance									◐	◐		
16	Financial Controls (AR/AP)										●	●	
17	Climate Change Adaptation and Resilience Planning										●		
18	Procurement and Contract Management Framework											●	
19	Payroll Controls and Compliance												●
20	Internal Controls Assessment					○				○			
21	Recommendations Follow-up	○		○		○		○		○		○	

Indicative Effort: ● *High /* ◐ *Medium /* ○ *Low*

FRAUD CONTROL PLAN

Council has a **zero-tolerance approach to fraud** and regards fraudulent behaviour as unacceptable under all circumstances. The Fraud Control pillar supports this commitment by strengthening Council's capability to prevent, detect, respond to, and monitor fraud and integrity risks across the organisation. Activities are guided by the Fraud Policy and the associated Fraud Control Plan, which establishes Council's approach to fraud risk management and continuous improvement.

Fraud Control activities are also supported by the Protected Disclosures (Protection of Whistleblowers) Policy, which provides mechanisms and protections for reporting suspected wrongdoing and supports the appropriate management of whistleblower disclosures.

Fraud Control activities are delivered through three key components:

- **Prevention:** Deliver fraud awareness programmes, communications, and training initiatives to promote ethical behaviours, strengthen fraud awareness, and reinforce reporting obligations across the organisation.
- **Detection:** Conduct Fraud Risk Assessments, maintain and update the Fraud Risk Register, and monitor fraud indicators and emerging fraud risks to support proactive fraud risk management.
- **Response:** Investigate red flags and suspected fraud events, manage whistleblower disclosures, and support corrective actions and lessons learned arising from investigations or assurance activities.

These activities are undertaken on an ongoing and risk-based basis and complement Internal Audit and Continuous Monitoring activities by proactively strengthening Council's fraud risk management capability and overall control environment.

CONTINUOUS MONITORING

Continuous Monitoring provides **ongoing, data-enabled assurance** by identifying exceptions, trends, and control anomalies within key systems and processes. This pillar supports the early detection of emerging risks and control weaknesses, enabling timely management action and reducing reliance on retrospective review activities alone. Continuous Monitoring complements periodic audits by providing sustained oversight of high-risk and high-volume processes across the organisation.

A Continuous Monitoring Programme will be progressively developed and expanded over the three-year assurance period, taking into consideration organisational priorities, risk exposure, system capability, data availability, and resource capacity. The programme will focus on strengthening proactive assurance activities through the use of data analysis, exception reporting, automated monitoring, and targeted control reviews.

Current Continuous Monitoring activities include implemented controls over selected operational processes, with future monitoring initiatives to be assessed and prioritised on a risk-based basis. Monitoring outputs may also inform Internal Audit activities, Fraud Risk Assessments, and investigative or management response actions where control anomalies or emerging risks are identified.

KEY ASSUMPTIONS AND LIMITATIONS

This Internal Assurance Plan is intended to provide a strategic and risk-based overview of planned assurance activities over the three-year period. The following assumptions and limitations apply:

- The timing of assurance activities is indicative and may be adjusted to respond to emerging risks, organisational priorities, legislative changes, investigations, incidents, or resource availability.
- Detailed audit scopes, objectives, methodologies, and resource requirements will be developed prior to the commencement of each individual review.
- Assurance activities may be reprioritised or deferred where unplanned work, investigations, advisory support, or urgent organisational matters arise during the year.
- The risks identified within the plan are indicative only and represent the primary risks expected to be addressed through each assurance activity. Individual reviews may not assess all associated risks in full and may identify additional risks during the planning or fieldwork stages.

- Continuous Monitoring activities and projects will be progressively developed and prioritised based on organisational risk exposure, data availability, system capability, and resource capacity over the course of the plan period.
- The plan will be reviewed periodically to ensure continued alignment with Council's strategic objectives, risk environment, and assurance priorities.

APPENDICES

1	Building Regulations Internal Assurance		
Evaluate whether documented policies, procedures, and systems within the BCA comply with the Building (Accreditation of Building Consent Authorities) Regulations 2006, the Building Act 2004, and other relevant legislation, and assess whether these controls are effectively implemented in practice.		**FY**	**2027**
		Q	**Q1**
		Effort	**Low**
Risk	**Risk Title**	**Residual Rating**	
RISK10034	Inadequate resource management or building consent systems, processes and/or people capability results in poor development outcomes and liability	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

2	IT Access Management and General Controls		
Assess user access management, privileged access controls, and key IT general controls supporting system security and integrity.		**FY**	**2027**
		Q	**Q1/Q2**
		Effort	**Medium**
Risk	**Risk Title**	**Residual Rating**	
RISK10001	Insufficient, inadequate or failure of digital and technology systems	High	
RISK10060	Insufficient, inadequate or failure of information governance	Moderate	

3	Rates Forecasting and Financial Planning		
Assess governance, data integrity, forecasting assumptions, and system controls supporting rates forecasting and financial planning processes within the IBIS platform.		**FY**	**2027**
		Q	**Q2/Q3**
		Effort	**Medium**
Risk	**Risk Title**	**Residual Rating**	
RISK10014	Ineffective Financial Strategy	Moderate	

4	Asset Management Review		
Assess asset lifecycle management, data integrity, planning processes, and alignment with strategic objectives.		**FY**	**2027**
		Q	**Q2**
		Effort	**High**
Risk	**Risk Title**	**Residual Rating**	
RISK10006	Ineffective planning for property and infrastructure	High	
RISK10021	Ineffective operations, maintenance or renewal of property or infrastructure assets leading to failure(s).	Very High	
RISK10022	Ineffective operations and maintenance of community services or facilities	High	
RISK10023	Property disruption event to facility or service	Low	

5	Long-Term Plan Legislative Compliance Review		
Provide independent quality assurance over the Long-Term Plan process and assess compliance with applicable legislative requirements.		**FY**	**2027**
		Q	**Q2**
		Effort	**Low**
Risk	**Risk Title**	**Residual Rating**	

RISK10029	Ineffective compliance management practices	Moderate

6	Performance Measurement and Reporting		
Assess the reliability, governance, and reporting of organisational performance measures and KPIs.		FY	2027
		Q	Q3
		Effort	High
Risk	**Risk Title**	**Residual Rating**	
RISK10020	Ineffective communication	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

7	Grants and Community Funding Allocation Review		
Evaluate governance, transparency, assessment, and monitoring processes for grants and community funding allocations.		FY	2027
		Q	Q4
		Effort	Medium
Risk	**Risk Title**	**Residual Rating**	
RISK10004	Community Partnerships do not achieve objectives	Moderate	
RISK10035	Ineffective business processes	Moderate	

8	Records and Information Management Controls		
Assess controls supporting records and information management, including record retention, accessibility, legislative compliance, LGOIMA obligations, and Privacy Act requirements.		FY	2028
		Q	Q1
		Effort	High
Risk	**Risk Title**	**Residual Rating**	
RISK10015	Ineffective Governance	Moderate	
RISK10060	Insufficient, inadequate or failure of information governance	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

9	H&S Contractor Management System		
Assess compliance with the Health and Safety Contractor Management System, including contractor onboarding, monitoring, and oversight processes.		FY	2028
		Q	Q2
		Effort	Low
Risk	**Risk Title**	**Residual Rating**	
RISK10032	Health, safety or wellbeing incident affecting employee	Moderate	
RISK10048	Health, safety or wellbeing incident affecting member of the public	Moderate	

10	Governance and Policy Management Framework		
Review governance processes supporting policy development, approval, review, communication, and compliance monitoring.		FY	2028
		Q	Q2
		Effort	Low
Risk	**Risk Title**	**Residual Rating**	
RISK10029	Ineffective compliance management practices	Moderate	
RISK10035	Ineffective business processes	Moderate	

11	Budgeting and Financial Planning Controls		
Review budgeting processes, financial planning assumptions, forecasting, and governance oversight controls.		FY	2028
		Q	Q3/Q4
		Effort	High
Risk	**Risk Title**	**Residual Rating**	
RISK10013	Unexpected change in cost or funding	High	
RISK10014	Ineffective Financial Strategy	Moderate	
RISK10035	Ineffective business processes	Moderate	

12	Customer Service and Complaints Management		
Assess customer service processes, complaints handling, escalation practices, and reporting controls.		FY	2028
		Q	Q3
		Effort	Low
Risk	**Risk Title**	**Residual Rating**	
RISK10031	Ineffective complaints handling	Moderate	
RISK10035	Ineffective business processes	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

13	People & Capability Processes		
Review recruitment, onboarding, performance management, training, and workforce capability processes		FY	2028
		Q	Q4
		Effort	High
Risk	**Risk Title**	**Residual Rating**	
RISK10047	Inadequate workforce capacity and/or capability to meet organisational needs	Moderate	
RISK10035	Ineffective business processes	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

14	Capital Project Delivery		
Assess governance, procurement, budgeting, delivery controls, and project monitoring processes for capital projects.		FY	2029
		Q	Q1
		Effort	High
Risk	**Risk Title**	**Residual Rating**	
RISK10005	Ineffective planning for community services or facilities	Moderate	
RISK10027	Inadequate construction management causing failure of infrastructure service or property damage	Moderate	
RISK10035	Ineffective business processes	Moderate	

15	Regulatory Services Operations and Compliance		
Assess governance, operational controls, and legislative compliance across regulatory service functions.		FY	2029
		Q	Q1/Q2
		Effort	Medium
Risk	**Risk Title**	**Residual Rating**	
RISK10026	Ineffective enforcement	Moderate	
RISK10035	Ineffective business processes	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

16	Financial Controls (AR/AP)		
Assess key accounts receivable and accounts payable controls, including approvals, reconciliations, and system integrity.		FY	2029
		Q	Q2/Q3
		Effort	High
Risk	**Risk Title**	**Residual Rating**	
RISK10014	Ineffective Financial Strategy	Moderate	
RISK10035	Ineffective business processes	Moderate	

17	Climate Change Adaptation and Resilience Planning		
Review governance, risk management, and planning processes supporting climate resilience and adaptation objectives.		FY	2029
		Q	Q2
		Effort	High
Risk	**Risk Title**	**Residual Rating**	

RISK10059	Ineffective planning and action to support climate change adaption	Low
RISK10017	Ineffective Council response to a civil defence emergency event	High
RISK10012	Ineffective mitigation response to the declared climate and ecological emergency	High

18	Procurement and Contract Management Framework		
Assess the effectiveness of controls across the procurement lifecycle, compliance with the Procurement Policy and associated guidance, and the effectiveness of contract management controls for procurement activities.		**FY**	**2029**
		Q	**Q3**
		Effort	**High**
Risk	**Risk Title**	**Residual Rating**	
RISK10028	Ineffective procurement	High	
RISK10035	Ineffective business processes	Moderate	
RISK10029	Ineffective compliance management practices	Moderate	

19	Payroll Controls and Compliance		
Review payroll processing controls, authorisations, system access, and compliance with employment obligations.		**FY**	**2029**
		Q	**Q4**
		Effort	**Low**
Risk	**Risk Title**	**Residual Rating**	
RISK10029	Ineffective compliance management practices	Moderate	
RISK10035	Ineffective business processes	Moderate	

20	Internal Controls Assessment		
Assess the overall effectiveness and maturity of Council's internal control environment against the COSO Framework, informed by assurance activities conducted throughout the year.		**FY**	**2028/29**
		Q	**Q1**
		Effort	**Low**

Indicative Effort Ratings:

- **Low:** Limited scope or checklist-based review with minimal fieldwork
- **Medium:** Standard assurance review involving testing and stakeholder engagement.
- **High:** Complex or detailed review requiring significant analysis, testing, and coordination.