

# Internal Audit Policy

## Local Government Act 2009

### 1. POLICY STATEMENT

This policy meets statutory requirements outlined in section 105 of the *Local Government Act 2009* and section 207 of the *Local Government Regulation 2012* covering the need to establish and maintain an Internal Audit function.

The policy provides Council with an assurance of the effective use of the Internal Audit function.

### 2. PRINCIPLES

In accordance with the Institute of Internal Auditors mandatory code of ethics for the Internal Audit Profession, Internal Auditors are expected to apply and uphold the following principles:

- *Integrity* – The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.
- *Objectivity* – Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.
- *Confidentiality* – Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
- *Competency* – Internal auditors apply the knowledge, skills, and experience needed in the performance of internal auditing services.

### 3. SCOPE

Internal Audit is an independent and objective function that reports to the Chief Executive Officer and the Audit Committee. Internal Audit workers shall perform audit activity in accordance with the annual Internal Audit Plan as approved by Council's Audit Committee.

The scope of Internal Audit activities include, but are not limited to; reviewing the efficiency and effectiveness of Council operations, resourcing, compliance activities, systems, processes and controls.

These services should be provided in accordance with the requirements and guidelines set out in the Internal Audit Charter.

### 4. RESPONSIBILITY

The Chief Executive Officer and the Business Services and Finance Committee have the responsibility for the implementation of this policy.

**Electronic version current uncontrolled copy valid only at time of printing.**

Document No. – 1000

Authorised by – Chief Executive Officer

Document Maintained by – Executive Office

Version No. 9

Initial Date of Adoption – 23.04.08

Current Version Reviewed – 19.11.20

Next Review Date – 19.11.22

## 5. DEFINITIONS

**Internal Auditing** – means an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

**Workers** – includes employees, contractors, volunteers and all others who perform work on behalf of Council.

## 6. POLICY

In accordance with section 207 of the *Local Government Regulation 2012*, Council will support an Internal Audit Unit to assess and evaluate the control measures that the Council has adopted, or is to adopt, to manage the risks to which the Council's operations are exposed.

That Council will:

- Prepare an internal audit plan each financial year; and
- Monitor the implementation of the plan through the Audit Committee.

The Council's Internal Audit Plan and associated progress reports will be managed in accordance with section 207 of the *Local Government Regulation 2012*.

## 7. LEGAL PARAMETERS

*Local Government Act 2009*

*Local Government Regulations 2012*

## 8. ASSOCIATED DOCUMENTS

Audit Committee Terms of Reference

Audit Committee Policy

Internal Audit Charter

Internal Audit Manual

**Electronic version current uncontrolled copy valid only at time of printing.**

Document No. – 1000

Authorised by – Chief Executive Officer

Document Maintained by – Executive Office

Version No. 9

Initial Date of Adoption – 23.04.08

Current Version Reviewed – 19.11.20

Next Review Date – 19.11.22