
Internal Audit Charter

Kilkenny County Council



Internal Audit Charter

Council policy

It is the policy of the Council to maintain and support a quality internal audit function that operates to the highest professional standards.

Definition and Role

Internal Audit is an independent appraisal function established by the Management of an organisation for the review of the internal control systems as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic, effective and efficient use of resources. **Internal control** has been defined as the whole system of controls, financial and otherwise, established by Management in order to carry on the business of the enterprise in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure, as far as possible, the completeness and accuracy of records.

Internal Audit is responsible for giving assurance to the Chief Executive on the existence, adequacy and effectiveness of the Council's internal control and risk management systems. Internal Audit also assists Line Managers by evaluating and reporting on the elements of the internal control systems for which they are responsible and making recommendations for improvement where necessary. Line management has full responsibility for the establishment and maintenance of the internal control systems.

The Internal Audit function of **Kilkenny County Council** will have regard to any recommendations made by the Local Government Audit Service's Value for Money reports on the internal audit function.

Duties and Responsibilities of Internal Audit

The primary responsibility of Internal Audit is critically and objectively to review and appraise the following:

- ◆ The design and operation of all systems and procedures (financial, management, etc.) which are intended to control the Council's operations including those used by Management to measure the extent to which programmes and other operations run by the Council are successful in the achievement of policy objectives
- ◆ The adequacy, reliability and integrity of the information being provided for decision-making and for accountability and the extent to which this information is used
- ◆ The degree of compliance with local policies, plans and procedures and also with national and international policies, laws and regulations
- ◆ The procedures and arrangements for the acquisition, safeguarding and disposal of assets
- ◆ The arrangements for economic, efficient and effective use of resources.

In discharging this responsibility, Internal Audit will also identify and report on any deficiency or weakness in systems and controls and make appropriate recommendations for improvement.

Internal audit will maintain ongoing liaison with the Local Government Auditor responsible for the Council's external audit.

Audit Committee: Internal Audit will undertake various duties in relation to the effective operation of the Audit Committee. Internal Audit will prepare agendas, minutes and all supporting documentation for each Audit Committee meeting. Internal Audit will attend quarterly meetings of the Audit Committee and any other meetings as required.

National Oversight and Audit Commission: Internal Audit will carry out Audit Reports for inclusion in the Quality Assurance Report in respect of the Public Spending Code which will be submitted to the National Oversight and Audit Commission on an annual basis. Internal Audit will also carry out any other duties deemed appropriate by the Chief Executive that arise as a result of the workings of the National Oversight and Audit Commission.

Management Responsibilities

Management has primary responsibility for establishing and maintaining a proper and effective control environment and for managing risk. Management also bears primary responsibility for the prevention and detection of fraud.

Heads of Sections and other Line Management are expected to co-operate with the Internal Auditor in the audit planning process by identifying areas and activities, which carry significant financial, operational or other business risks. Line Management is also expected to co-operate fully and in a timely manner with Internal Audit staff in the course of individual audit assignments and to take prompt action to implement accepted recommendations.

Scope and Authority

Internal Audit is authorised to carry out a comprehensive programme of internal audit in all areas of the Council. In the implementation of the audit programme, Internal Audit Staff are authorised to have full, free and unrestricted access to all the Council's records, assets and personnel. In addition, Internal Audit Staff is entitled to request and receive all the information and explanations they require for the proper performance of their duties.

Independence

Internal auditors must be independent of the activities they audit and should not have any operational responsibilities outside audit. However, Internal Audit may, if deemed appropriate by the Internal Auditor and/or the Audit Committee, or if requested by Management, review systems under development and advise on appropriate controls without prejudicing its right to subsequently audit such systems.

Reporting Arrangements

Internal Audit shall report through the Director of Corporate Affairs to the Chief Executive and Management Team and quarterly, or otherwise as requested, to the Audit Committee. Internal Audit should have right of access to the Chief Executive if required. Audit reports will also issue to appropriate Line Managers. These reporting lines should in no way interfere with the independence and authority of Internal Audit in relation to the carrying out of audit assignments.

Internal audit will prepare an Annual Report on its activities.

Audit Approach and Methodology

Audit planning

Annual Audit Plans are designed and prepared based on risk evaluation and in consultation with the Chief Executive, Management Team, Local Government Auditor and the Audit Committee. Following this consultation, the draft Annual Audit Plan will be approved by the Audit Committee with or without amendment.

Implementation and reporting

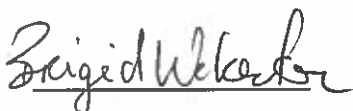
Internal Audit will normally notify Heads of Sections when a service is approved for inclusion in the Audit Work Programme at least one month prior to the commencement of an audit. Internal audits are generally systems-based and involve the examination of files and relevant documentation, interviews with key staff, testing of controls and the use of questionnaires. A draft Report of the audit will be discussed with Line Management to confirm its factual accuracy and to agree, where possible, the conclusions and recommendations for improvements. The Final Report, incorporating Management's response, will then issue to the Line Management concerned, the Chief Executive, the Audit Committee and to the Local Government Auditor.

Follow-up

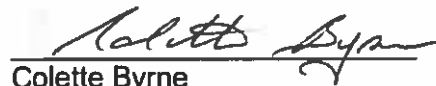
The Internal Auditor may as part of the audit work programme request periodic updates from Management on the implementation of audit recommendations, in order to evaluate progress thereon. Comprehensive "follow-up" audits may also be carried out to ascertain that appropriate action is taken as a result of previously reported audit findings and recommendations.

Review

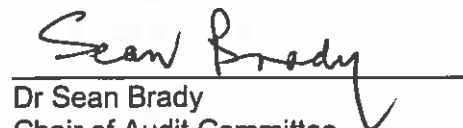
This Charter will be subject of an annual review.



Brigid Webster
Internal Auditor



Colette Byrne
Chief Executive



Dr Sean Brady
Chair of Audit Committee

Dated: 11-3-2022