

# INTERNAL AUDIT POLICY 2023/24

**TITLE:** Internal Audit Policy

**POLICY TYPE:** Statutory

**POLICY NUMBER:** GRC 051

**RESPONSIBLE OFFICER:** Chief Executive Officer

**DEPARTMENT:** Executive

| Version | Decision Number or CEO Approval           | Decision Date    | History                  |
|---------|---|------------------|--------------------------|
| 1.      | Special Budget Meeting (Report SM-014/11) | 15 June 2011     | Adopted                  |
| 2.      | Special Budget Meeting (Report SM-019/13) | 15 June 2013     | Adopted                  |
| 3.      | Special Budget Meeting                    | 16 June 2014     | Adopted by Resolution    |
| 4.      | Ordinary Meeting Minutes (ref. OM-081/15) | 27 May 2015      | Adopted by Resolution    |
| 5.      | Ordinary Meeting Minutes (ref. OM-078/16) | 22 June 2016     | Adopted by Resolution    |
| 6.      | Ordinary Meeting Minutes (ref. OM-247/17) | 20 December 2017 | Adopted by Resolution    |
| 7.      | Ordinary Meeting Minutes                  | 23 June 2021     | Tabled for Consideration |
| 8.      | Ordinary Meeting Minutes                  | 20 June 2022     | Adopted by Resolution    |
| 9.      | Ordinary Meeting Minutes (ref. OM-081/23) | 28 June 2023     | Review June 2024         |

## 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.

Large local governments must establish an audit committee. Goondiwindi Regional Council is not a large local government prescribed under regulation and therefore not mandated to establish an audit committee. An Audit Committee is decided by the category assigned to each local government.

Council's Internal Audit function should be recognised as an effective governance framework as it supports a risk and compliance culture. The function provides assurance over Council's governance practices and internal control environment and identifies where performance can be improved.

## 2. PRINCIPLES

Internal Auditors and those undertaking internal audit functions are expected to apply and uphold the following principles:

### Integrity

The integrity of those involved in internal audits establishes trust and thus provides the basis for reliance on their judgement.

### Objectivity

Those involved in internal audits exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being

examined. They 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

Those involved in internal audits 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

Those involved in internal audits apply the knowledge, skills, and experience needed in the performance of internal auditing services.

### **3. SCOPE**

Internal Audit is an independent and objective function and reports to the Chief Executive Officer.

The scope of Internal Audit function include, but are not limited to:-

- Reviewing the efficiency and effectiveness of council operations;
- Determining the extent of compliance with relevant statutes, regulations, directives, delegations and standards;
- Determining the extent to which resources are efficiently and effectively used;
- Reviewing and appraising the effectiveness and appropriateness of controls including those of a financial and administrative nature;
- Monitoring the adequacy, reliability, integrity and security of accounting and other management information systems;
- Provide a service to council and management to assist them in meeting statutory responsibilities;
- Reporting on the adequacy of systems to ensure compliance with policies, administrative directives, plans, procedures, laws and regulations;
- Identifying major problems and risk exposures;
- Determining and reporting on the adequacy, reliability and effectiveness of managerial controls operating within council;
- Recommending improvements to business processes and controls and
- Reporting to council on the adequacy and integrity of financial and operational information to safeguard assets.

### **4. POLICY DETAILS**

#### 4.1 Independence and Objectivity

The internal audit function must be independent and objectivity must be exercised in the conduct of internal audit work.

Internal audits will be performed with an unbiased and impartial attitude.

#### 4.2 Audit Approach

A risk based internal audit approach will be implemented each financial year.

The annual internal audit plan will be endorsed by the CEO and Council in consideration of the most significant current risks facing Council.

#### 4.3 Authority and Access

Internal audit shall have direct and unrestricted access to Council and management. It is authorised to review all areas of Council with full, free and unrestricted access to Council's operations, data and records, assets and personnel.

#### 4.4 Reporting Responsibility

The internal audit function will report to the Executive Leadership Team (ELT) on a quarterly basis.

The implementation of audit recommendations will be presented to each ELT meeting. These reports will state the control measures that Council has adopted that were assessed by internal audit; the method in which the internal audit was conducted; the observations and recommendations of internal audit; and management responses to audit recommendations

Quarterly reports on the general progress of the Internal Audit Plan will be presented to Council in conjunction with the Risk Register Update and Operational Plan updates.

### **5. RESPONSIBILITY**

The Chief Executive Officer has the responsibility for the implementation of this policy.

### **6. REVIEW DATE**

30 June 2024