



Rialtas na hÉireann
Government of Ireland

Internal Audit Charter

2023

Prepared by the Department of the Environment, Climate and
Communications, 2023

1 Introduction

1.1 It is the policy of the Department of Environment, Climate and Communications (the Department) to have and support a quality Internal Audit Unit (IAU) which adds value to the Department.

1.2 This Internal Audit Charter sets out the role, authority, scope, responsibilities and reporting relationships of the IAU in the Department and in bodies and organisations under the aegis of the Department.

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

Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

1.4 Responsibility for protected disclosures, risk management and internal control, including the prevention and detection of fraud, rests fully with the Accounting Officer (Secretary General), the Management Board and line managers. They should ensure that appropriate and adequate arrangements exist without regard to audit activity. It is also the responsibility of line management to evaluate recommendations and audit reports and to initiate any changes deemed appropriate to improve internal controls.

2 Role

2.1 The objective of internal auditing is to assist managers in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed and by promoting effective control at reasonable cost. In this way the IAU provides assurance to the Accounting Officer as to the adequacy of the Department's internal control system.

3 Authority and Scope

3.1 The IAU derives its authority from the Accounting Officer to whom the Head of Internal Audit (HIA) has the right of direct access. The IAU will undertake its work programme under the general supervision and guidance of the Audit Committee.

3.2 The IAU is authorised to carry out a comprehensive programme of audits in all areas of the Department.

3.3 The IAU is authorised to have full and complete access for audit purpose to all information, records (manual and electronic), physical properties and personnel of the Department and relevant bodies. Where access to documentation is stipulated in contracts/agreements between the Department, bodies and organisations under its aegis and third parties, IAU will also have access to such documentation where it is relevant to the carrying out of its audits.

3.4 All Department staff are expected to co-operate fully and work with the IAU.

4 Professionalism

4.1 The IAU will conduct its work in accordance with the Code of Ethics and Standards of Professional Practice of the Chartered Institute of Internal Auditors UK and Ireland and with the Internal Audit Standards and Guidelines of the Department of Public Expenditure and Reform.

5 Responsibilities

5.1 The IAU is responsible for establishing that the accounting systems, procedures and controls operated by the Department are being complied with and are capable of realising policy objectives in an economic, efficient and effective manner.

5.2 The IAU will produce an annual audit plan having regard to the Department's Statement of Strategy and based on a risk assessment of all areas under its remit. The draft plan will be submitted to the Accounting Officer and the Department's Management Board for consideration. The draft plan will be approved by the Audit Committee for sign off by the Accounting Officer.

5.3 The IAU will in general adopt a systems-based approach to its audits, supplemented where appropriate by the use of transaction testing, vouching and verification methods on a sample basis.

5.4 Subject to obligations under Freedom of Information legislation, the IAU will ensure that all information and records obtained and reviewed during the course of the audit are kept confidential.

5.5 The IAU will be responsible for reviewing, appraising and making recommendations for improvement in the following;

- the degree of compliance with, and adequacy of, the Departments internal control systems;

- the adequacy, reliability and integrity of the management information being provided for decision-making and for accountability and the extent to which this information is used;
- the degree of compliance with all relevant legislation and guidelines and all the latest corporate governance requirements;
- the acquisition and disposal of assets and the safeguarding of same from losses, including those arising from fraud, malpractice and irregularity;
- the arrangements for the economic, efficient and effective use of Department resources;
- review of the risk management process;
- special investigations as appropriate subject to the approval of the Accounting Officer and the Audit Committee.

5.6 It is not the job of internal audit directly to detect or prevent fraud or corrupt practices. Internal audit should always have regard to the possibility of fraud and other illegal acts and should seek to identify serious defects in internal control systems and procedures which might permit the occurrence of such an event. Should the IAU discover firm evidence or strongly suspect wrongdoing, it will immediately bring the matter to the attention of the appropriate level of management responsibility to determine what further action to take.

5.7 At least annually, the HIA will meet separately with the Audit Committee to discuss any matters that the Audit Committee or IAU believes should be discussed privately.

5.8 The IAU will liaise closely with the staff of the Comptroller and Auditor General and any other external auditors who audit services funded by the Department or by the European Commission.

6 Independence

6.1 The IAU is independent of the activities it audits and will not engage in any line functions. However, it may review systems under development and may offer advice on appropriate controls without prejudicing its right to subsequently audit such systems.

6.2 In conducting its work, the IAU will not subordinate its judgement to that of other people or be otherwise influenced by outside factors.

7 Objectivity

7.1 Internal Auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or processes examined. Internal auditors will make a balanced assessment of all the relevant circumstances and will not be unduly influenced by their own interests or by others in forming judgements.

8 Reporting

8.1 The IAU is responsible for communicating the results of its reviews to management and the Audit Committee. Audit reports will contain management's responses with agreed actions to address the findings raised in the report. These audit reports (with Management Responses) are submitted to the Audit Committee for approval. Once approved by the Audit Committee, Final Reports are submitted to the Accounting Officer. A copy of the Final Reports will also be provided to the Management Board.

8.2 The IAU will, on a regular basis, report to the Accounting Officer on the work of the unit.

8.3 The IAU will report to the Audit Committee.

9 Post Audit Action

9.1 It is the responsibility of management and not that of the IAU to take action when internal audit reports are issued. The manager of the activity should review all findings and recommendations within an agreed timeframe and should initiate actions to address all matters raised.

9.2 The IAU will maintain a follow-up process to monitor the implementation of agreed actions following completion of the audits. IAU will inform the Audit Committee of the progress made on the implementation of the recommendations and any other significant issue affecting internal control.


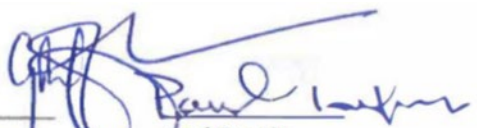

10 Quality Assurance and Improvement Program (QAIP)

10.1 The IAU maintains a quality assurance and improvement programme that covers all quality aspects of internal audit activity. This programme includes an evaluation of the IAU's activities to ensure conformance with the IIA Standards and Code of Ethics and with the Internal Audit Charter. Such an evaluation consists of ongoing and periodic internal

assessments and an external assessment every five years. The HIA provides a report on the outcome of these assessments to the Accounting Officer and the Audit Committee together with an action plan, where required, to address any significant recommendations.

11 Amendment of the Internal Audit Charter

11.1 The Internal Audit Charter will be reviewed at least annually to ensure it remains current and relevant. This Charter will also be reviewed when there is a change in the individuals fulfilling the roles of Accounting Officer, Head of Internal Audit or Chair of the Audit Committee. The updated Charter will be approved and signed by the Accounting Officer, the Chair of the Audit Committee and the Head of Internal Audit.

 Mark Griffin Secretary General 9/03/2023	 Paul Turpin Chairperson of the Audit Committee 9/03/2023	 Mary Mulligan Head of Internal Audit 9/03/2023
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