

Internal Audit Charter

Charter for Internal Audit in National Council for Special Education

A Charter for the Internal Audit function in National Council for Special Education (NCSE) was approved by the Council at its 69th meeting on 16th May 2012

1. Introduction

1.1 Internal Audit is responsible for conducting an independent appraisal of all of the Council's activities, financial and otherwise. It provides a service to the whole organisation, including the Council and all levels of management.

1.2 Internal Audit provides assurance to the Council and the Chief Executive on the entire system of controls. Internal Audit assists management by evaluating and reporting on the effectiveness of the controls for which management are responsible. However, it remains the duty of management and not Internal Audit, to operate adequate systems of internal control.

2. Mission of Internal Audit

2.1 Internal Audit provides independent and objective assurance and advice designed to add value and improve the operations of the Council. The general aim of Internal Audit is to assist the Council in accomplishing its objectives by conducting a systematic and disciplined review of the effectiveness of controls, risk and governance processes designed by management to meet the strategic, financial, and operational objectives of the Council.

2.2 In order to achieve this aim, Internal Audit will carry out independent assessments and report thereon to the Audit Committee and management. Each assignment undertaken by Internal Audit is intended to provide independent, objective assurance as well as recommendations designed to add value and improve the operations of the Council.

3. Scope

3.1 All the Council's activities, funded from whatever source, fall within the remit of Internal Audit, the scope of which is not confined solely to financial matters.

3.2 Internal Audit may also conduct any special reviews requested by the Council, the Chief Executive or the Audit Committee.

4. Authority and Access

4.1 Internal Audit derives its authority from the Council through the Audit Committee and the Chief Executive. Internal Audit is responsible to the Audit Committee while reporting administratively to the Chief Executive. Internal Audit shall have direct access to the Chief Executive and the Chairperson of the Audit Committee in the performance of professional duties.

4.2 Internal Audit has the right of access to all the Council's information, records, assets and personnel which it considers necessary to fulfill its responsibilities. Internal Audit may review other bodies or undertakings controlled or funded by the Council as agreed by the Council.

4.3 Internal Audit shall be afforded the full co-operation of all employees and agents of the Council in carrying out its professional duties.

5. Role and Responsibilities

5.1 Internal Audit is required to give an opinion to the Audit Committee, based on the areas reviewed by Internal Audit on the adequacy and effectiveness of the system of internal controls within the Council, and the extent to which the Council may rely on it.

5.2 Internal Audit shall develop an overall audit strategy taking account, *inter alia*, of the Council's risk assessment process, available resources, knowledge of the Council, the work of external auditors and internal assurance providers.

5.3 Based on the overall audit strategy, Internal Audit will undertake medium term and annual programmes of work to provide the required assurance. These will be drawn up by Internal Audit in consultation with the Chief Executive and the approval of the Audit Committee.

The programme will be designed to:

- Appraise progressively the soundness, adequacy and application of the internal control systems;
- Ascertain the extent to which the system of internal control ensures compliance with the Council's policies and procedures and State laws and regulations;
- Ascertain that the system of internal control promotes the efficient and effective use of resources;
- Ascertain that the system of internal control operates to ensure that the assets of the Council are properly controlled and safeguarded from losses arising from fraud, irregularity or corruption;
- Ascertain that there are adequate controls to ensure reliability of accounting and other information as a basis for producing accounts and for financial, statistical and other returns;
- Ascertain that there is an adequate internal control system to ensure the integrity and reliability of financial and other information provided to the Council; and
- Confirm compliance with laws, regulations and Government Guidelines for Irish State Bodies.

5.4 In achieving its objectives Internal Audit should:

- Identify all aspects of control systems on which it intends to rely and develop a review cycle;
- Evaluate those systems, identify inappropriate and inadequate controls and recommend improvements in procedures and practices based on best practice;
- Recommend and advise on value for money and efficiency improvements as evident from reviews performed, and
- Liaise with the Comptroller and Auditor General (C&AG).

6. Independence and Objectivity

6.1 The internal auditor is required to deliver impartial and unbiased judgements. In order to enhance this objectivity, Internal Audit has no operating responsibilities and will remain independent of the activities being examined. Internal Audit is not part of the systems of governance, internal control, risk management or compliance but, rather is an independent appraisal function, which seeks to objectively and impartially review and report on those areas.

6.2 Without prejudice to this objective and if deemed appropriate by the Audit Committee and Chief Executive, its remit may extend to systems being developed and it may provide advice on control and related matters.

7. Fraud

7.1 The responsibility for the prevention, detection and resolution of fraud lies with management. This responsibility is addressed through the implementation and continued operation of an effective system of internal control.

7.2 Internal Audit has responsibility to ensure that the audit programme and methodology takes due account of the possibility of fraud and will fully investigate any fraud or suspected fraud uncovered.

8. Standards and Approach

8.1 Internal Audit shall carry out its work with due professional care having regard to appropriate professional auditing practice as contained in Auditing Standards published by the Auditing Practices Board and by the Institute of Internal Auditors.

8.2 Internal Audit will, where possible, and taking account of the control environment, adopt a risk-based approach to its audits supplemented, as appropriate, by the use of a systems-based approach with traditional transaction testing and verification methods on a sample basis.

8.3 Internal Audit shall prepare periodic audit plans proposing areas for audit work, which shall be submitted to the Audit Committee for approval.

9. Reporting

9.1 On completion of an audit, findings will be reported to management and the Chief Executive. Management responses will be incorporated in audit reports as appropriate.

9.2 There will be periodic follow-up action by Internal Audit to ascertain if findings and recommendations have been implemented.

9.3 Internal Audit will report to the Audit Committee at regular intervals during the year on the results of audit work undertaken in line with the audit plan.

9.4 Internal Audit shall liaise with the Comptroller and Auditor General (C&AG) engaged on audits of the Council's financial statements. While internal and external auditors have their own distinct objectives, there are areas of common interest and co-operation which will be promoted through regular meetings and co-ordination of activities to ensure that maximum audit coverage is achieved.