



INTERNAL AUDIT CHARTER

Introduction

The Secretary has established Internal Audit as a key component of department's governance arrangements.

This Charter provides the framework for the conduct of the Internal Audit function in the department.

Purpose of Internal Audit

Internal Audit provides an independent and objective advisory service to provide assurance that the controls designed to manage the department's business risks (and achieve the entity's objectives) are operating in an efficient, effective and ethical manner, and to assist management in improving the entity's business performance.

Scope of Internal Audit activity

Internal Audits may cover any programme and activity of department and encompasses the review of financial and non-financial operations including those of the Shared Services Centre.

All reviews are undertaken under the authority of the department's Audit Committee who approves the Internal Audit Work Programme.

Independence

Independence is essential to the effectiveness of the Internal Audit function. Internal Audit has no direct authority or responsibility for the activities it reviews. The Internal Audit function has no responsibility for developing or implementing procedures or systems and does not engage in original line processing functions.

The Chief Internal Auditor is accountable to the department's Audit Committee for the efficient and effective operation of the Internal Audit function and has direct access to the Secretary, the Audit Committee Chair and other members of the Audit Committee.

Authority and confidentiality

Subject to compliance with the department's security policies, Internal Auditors are authorised to have full, free and unrestricted access to all functions, premises, assets, personnel, records, and other documentation and information considered necessary to enable Internal Audit to meet its responsibilities.

All records, documentation and information accessed, including discussions, in the course of undertaking Internal Audit activities are to be used solely for the conduct of these activities. The Audit Manager and individual Internal Audit staff are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

For-Official-Use-Only

Internal Audit reports are provided to Audit Committee and the relevant Associate/Deputy Secretary. They are not made available to other Clusters without the expressed permission of the original auditee.

Roles and responsibilities

Internal Auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the department's governance, risk management, and internal processes as well as the quality of performance in carrying out assigned responsibilities to achieve the department's stated goals and objectives.

In the conduct of its activities, Internal Audit will play an active role in:

- developing and maintaining a culture of accountability and integrity
- facilitating the integration of risk management into day-to-day business activities and processes
- attending senior governance meetings on a regular basis
- promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards.

Regardless of the nature of work undertaken, Internal Audit has a primary responsibility to advise on governance, risk management and control issues and is required to report inadequately addressed risks and non-effective control processes to the department's Audit Committee.

Audit Support Activities

In addition, Internal Audit is responsible for:

- assisting the Audit Committee to discharge its responsibilities
- providing secretarial support to the Audit Committee
- disseminating better practice and lessons learnt arising from its audit activities across the department
- managing the audit function.

Standards

Internal Audit activities will be conducted in accordance with the Australian Public Service and the department's values, policies and procedures. Audit activities will also be conducted in accordance with the following professional standards:

- International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors
- the IT Audit and Assurance Standards issued by ISACA, and
- where appropriate, standards issued by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia.

In the conduct of Internal Audit work, Internal Audit staff will:

- comply with relevant professional standards of conduct
- possess the knowledge, skills and technical proficiency relevant to the performance of their duties
- be skilled in dealing with people and communicating audit, risk management and related issues effectively
- further improve their technical competence through a program of professional development, and
- exercise due professional care in performing their duties.

Relationship with external audit and other assurance activities

Internal Audit will establish and maintain an open relationship with the Australian National Audit Office (ANAO) and, will consider their planned activity to help ensure the adequacy of overall audit coverage and to minimise duplication of effort.

The ANAO have full and free access to all Internal Audit plans, working papers and reports.

Approved by the Department of Education and Training Audit Committee 10 March 2016.