
INTERNAL AUDIT POLICY

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<p>This document is to be reviewed once each Council term. Next review date: February 2021</p>			
RESPONSIBLE OFFICER		General Manager	

PART 1: INTRODUCTION

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

It is important for Council to have an internal audit function for the following reasons:

- It supports good internal governance;
- To ensure consistency with other levels of government;
- To improve the effectiveness of risk management, control and governance processes; and
- Helps to instil public confidence in Council's ability to operate effectively.

1.1 Policy Objectives

The objective of internal audit is to provide independent assurance over the internal controls and risk management framework of Council. This policy establishes a formal, structured internal audit framework that is appropriate to Council's activities and operating environment.

1.2 Scope of Policy

This policy applies to Riverina Water County Council

1.3 Related Documents

Audit and Risk Committee Charter
Internal Audit Charter

PART 2: POLICY CONTENT

2.1 Responsibilities

One of the primary objectives of the internal audit function is to add value to Council operations. The scope of services provided by Internal Audit shall encompass:

- 2.1.1 Develop and implement a comprehensive risk based cyclical Strategic Internal Audit Plan which is endorsed by the Audit and Risk Committee.
- 2.1.2 Undertake an annual Internal Audit Planning Day in conjunction with the Audit and Risk Committee.
- 2.1.3 Develop and implement a detailed Internal Audit Annual Work Program which is endorsed by the Audit and Risk Committee incorporating the following key functions:

- a. The examination and evaluation of the adequacy and effectiveness of systems of internal control, risk management, governance, and the status of ethical behaviour.
- b. Ascertaining conformity with the goals and objectives of Council.
- c. Assessment of the economic and efficient use of resources.
- d. The examination of compliance with policies, procedures, plans and legislation.
- e. Assessment of the reliability and integrity of information.
- f. Assessment of the safeguarding of assets.
- g. All activities of Council, whether financial or non-financial, manual or computerised.

2.1.4 Provide advice to the Council, General Manager and management as requested.

2.1.5 Undertake special assignments as requested by the General Manager.

2.1.6 Liaise with the external auditor and co-ordinate audit coverage.

2.1.7 Undertake internal audit work in accordance with the Institute of Internal Auditors Australia's *International Standards for the Professional Practice of Internal Auditing*.

2.2 Reporting Requirements

Internal Auditor has independent status within Council and reports administratively to the General Manager and functionally to the Audit and Risk Committee. The Internal Auditor reports to the Audit and Risk Committee at least four times per year.