

THE COUNTY GOVERNMENT OF TAITA TAVETA



INTERNAL AUDIT UNIT

INTERNAL AUDIT CHARTER

Introduction

The County Executive Committee of the County Government of Taita Taveta (hereafter referred to as “the CEC”) established the Internal Audit function of the Taita Taveta County Government as a key component of its governance framework.

This charter provides the framework for the operations of the Internal Audit function in the County government.

Purpose of Internal Audit

Internal Audit shall provide independent, systematic and objective assurance and advisory services with a view to:

- Ensure that the county government’s financial and operational controls are operating in an efficient, effective and ethical manner,
- Identify and manage risks facing the County government.
- Enhance governance systems and processes

By focusing on the above, the internal audit will ensure a responsible and accountable county government for effective management of county resources, operations and service delivery.

Structure

The Head of Internal Audit, shall report functionally to the Audit Committee, and administratively to the Chief Officer, Finance and Planning.

The internal Audit function will:

- a) Advise the County Executive Committees and the Chief Officers on emerging issues in internal auditing;
- b) Develop and implement innovative approaches in performing independent assessment of systems and controls guided by professional Standards;
- c) Promote risk management
- d) Provide capacity building for County government entities.
- e) Report annually to the County Treasury and Audit Committee on the internal audit performance.
- f) Provide consulting services with a view to improve the overall county government operations;

The County public service board in consultation with the audit committee shall carry out the recruitment of the Head of Internal Audit.

The Audit Committee will arrange for a periodic, independent review of the Efficiency and Effectiveness of the operations of the Internal Audit function at least once in every five years.

Independence

Independence is essential to the effectiveness of the Internal Audit. The Internal Audit function will remain free from interference by any entity in the County Government.

The Head of the Internal Audit has free and unrestricted access to the Governor, the County Executive Committee and Audit Committee.

The Head of the Internal Audit will continually confirm the independence of internal audit to the Audit Committee

Objectivity

The staff in Internal Audit will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

Authority and Confidentiality

The Internal Audit staff shall have full, free and unrestricted access to all departments' premises, assets, personnel records, documentation and information that the Internal Audit considers necessary to fulfil its responsibilities.

All records, documentation and information accessed in the course of undertaking of internal audit activities are to be used solely for the purpose of these activities. The Internal Audit shall be responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

Roles and Responsibilities

Section 155 (3) of the Public Finance Management Act, 2012 includes the following responsibilities under the internal audit activities of the county government:

- Reviewing the governance systems of the county and mechanisms for transparency and accountability with regard to the finances and assets of the County
- Conducting risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the County.
- Verifying the existence of assets administered by the entity and ensuring that there are proper safeguards for their protection.
- Providing assurance that appropriate institutional policies and procedures and good business practices are followed by the County
- Evaluating the adequacy and reliability of information available to management for making decisions with regard to the County and its operations.
- The Internal Audit function can advise the accounting officers of the county government on a range of matters including but not limited to new programmes, systems and processes, risk management and fraud control.

Audit support activities

The Internal Audit shall also be responsible for:

- Providing secretariat support to the Audit Committee in discharging its responsibilities
- Monitoring the implementation of agreed internal audit and auditor general recommendations
- Disseminating across the County best practice and lessons learnt arising from its audit activities.

Scope of internal audit activity

The Internal Audit reviews programmes and activities of the County Government together with associated entities as provided for in relevant business agreements, memorandum of understanding or contracts. Internal audit activity encompasses the review of all financial and non-financial policies and operations.

Internal Audit Work Plan

At least annually, the head of the Internal Audit shall prepare the internal Audit work plan and have it approved by the Audit Committee. The internal audit work plan will be developed based on risk-based methodology.

Standards

Internal audit activities will be conducted in accordance with the Constitution, Public Finance Management Act 2012, Public Finance Management Regulations 2015 and supporting County Government policies and procedures.

Audit activities will also be conducted in accordance with international best practices for internal auditing.

Relationship with the Auditor-General

The activities of both the Internal Audit and the Office of the Auditor General will be coordinated to ensure the adequacy of overall audit coverage and to minimise duplication of effort.

The Audit Committee shall be informed of all information requested by, and issued to the Office of the Auditor General.

Reporting

A written report shall be prepared and issued by the head of Internal Audit or designee following the conclusion of each internal audit engagement and will be distributed to the Accounting Officer of the concerned entity.

The internal audit report shall include the response of the Accounting Officer (or designee) and corrective action taken or to be taken in regard to the specific findings and recommendations. The accounting officer of the concerned entity shall be required to respond to the issues raised in an audit report within fourteen days of the date of the report.

The head of internal audit shall be responsible for appropriate follow-up on engagement findings and recommendations.

The head of Internal Audit will prepare quarterly report to the Audit Committee which covers but not limited to:-

- Audits completed
- Progress in implementing the audit work plan, and
- The status of the implementation of agreed internal audit and auditor general recommendations.

Review of the charter

This charter will be reviewed at least annually by Head of Internal Audit and shall be approved by Audit Committee.

Approved this _____ day of _____, _____

Chairman of the County Audit Committee

Governor

Head of Internal Audit