



Internal Audit Charter

Kildare County Council
Comhairle Contae Chill Dara

Policy Statement

It is the policy of Kildare County Council to maintain and support a quality Internal Audit function that operates to the highest professional standards.

Definition and Role

Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control systems, as a service to the organisation and to support the achievement of corporate objectives, to add value and improve the Authority's operations. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic, effective and efficient use of resources. Internal control has been defined as the whole system of controls, financial and otherwise, established by management in order to carry on the business of the enterprise in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure, as far as possible, the completeness and accuracy of records.

Internal Audit is responsible for giving assurance to the Chief Executive on the existence, adequacy and effectiveness of the Council's internal control and risk management systems. Internal Audit also assists line managers by evaluating and reporting on the elements of the internal control systems for which they are responsible and making recommendations for improvement where necessary. Line management has full responsibility for the establishment and maintenance of the internal control systems.

Internal Audit's role, as part of the overall governance and control environment in the Authority, is to provide audit assurance that all significant operating risks are identified, managed and controlled effectively at reasonable cost throughout the organisation. In the

discharge of its role, Internal Audit is required to have integrity and to act professionally and ethically. It will adhere to the recognised standards and guidelines and will have regard to best practice as enunciated, in particular, by the Institute of Internal Auditors and the National Oversight and Audit Commission. The Internal Audit function of Kildare County Council will have regard to any recommendations made by the Local Government Audit Service's Value for Money reports on the Internal Audit function.

In exceptional circumstances Internal Audit may also be assigned other duties.

From February 2019 onwards, the Internal Audit function is responsible for carrying out administrative and financial verification checks on projects and claims under the LEADER program (as per Article 48 of Regulations EU 809/2014) on an ongoing basis.

Authority

Internal Audit operates with the direct authority of Kildare County Council and under the general supervision and guidance of the Chief Executive. It is empowered and authorised to audit all systems and activities within the Authority managed by the Chief Executive and has unrestricted access to all records, reports, personnel, consultants, I.C.T. systems and assets, for audit purposes. Management and staff are required to assist Internal Audit in the fulfilment of its functions and to provide all the information and explanations required by Internal Audit staff for the proper performance of their duties.

Responsibilities of Internal Audit

Internal Audit discharges its responsibilities by critically and objectively evaluating and appraising on a systematic and risk-focused basis:

- ◆ the adequacy and reliability of all internal control systems (financial, management etc, including the relevant technology) and procedures.
- ◆ the adequacy, reliability and integrity of the information being provided for decision-making and for accountability and the extent to which this information is used.
- ◆ compliance with accounting and management controls.
- ◆ compliance with corporate objectives, policies, plans and strategies.
- ◆ compliance with laws and regulations
- ◆ the reliability and integrity of financial, accounting and other information systems and the means used to identify, measure, classify and report such information.
- ◆ procedures and arrangements to account for the acquisition, safeguarding, custody and disposal of assets, and for verifying their existence, effective use and safeguarding.
- ◆ operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- ◆ the economic, efficient and effective use of resources and by reviewing performance and performance measurements.

Any deficiencies or weaknesses in systems, controls and arrangements as outlined above which are identified, shall be reported to the appropriate officers with recommendations for improvement. Internal Audit will maintain ongoing liaison with the external Local Government Auditors, who have responsibility for the audits of the Authority, to ensure maximum coverage is achieved and duplication of work is minimised. Internal Audit shall ensure the confidentiality and safekeeping of all records and information accessed in the course of its work.

Audit Plan

Internal Audit is responsible for the preparation of the Audit Plan setting out audit priorities for the medium term and for agreeing it with the Chief Executive and for its submission and assessment by the Audit Committee. The Plan outlines how Audits are identified and the resources and methods to be applied to each Audit. Prior to drawing up the Audit Plans, Internal Audit will consult with the members of the Management Team in regard to audit topics and will take account of any topics put forward by them.

Internal Audit will be responsible for the effective implementation of the Audit Plans.

Independence

In order to preserve its objectivity and independence, Internal Audit will not assume operating responsibilities for, and will remain independent of, the activities it audits. However, it may, if deemed appropriate, or if requested by management, review systems under development and advise on appropriate controls without prejudicing its right to subsequently audit such systems.

Reporting Arrangements

Reporting by the Internal Audit function (through the Head of Internal Audit) shall be directly to the Chief Executive on an ongoing basis and quarterly, or otherwise as requested, to the Audit Committee. The Head of Internal Audit will have direct access to the Chief Executive. Audit reports will also issue to appropriate line managers. Internal Audit will prepare an annual report on its activities.

Audit Approach and Methodology

In carrying out its duties Internal Audit will work constructively with management and staff.

Implementation and Reporting

Internal Audit will normally notify Heads of Sections when an area is approved for inclusion in the Audit Work Programme at least one month prior to the commencement of an audit. Internal audits are generally systems-based and risk focussed, and involves the examination of files and relevant documentation, interviews with key staff, testing of controls and the use of questionnaires. A draft report of the audit will be discussed within a reasonable time with line management to confirm its factual accuracy and to agree, where possible, the conclusions, recommendations and action plans for improvements. The final report, incorporating management's response if required, will then issue to the line management concerned, the relevant Director, the Chief Executive, the Audit Committee and to the Local Government Auditor.

Follow-up

The Internal Auditor may, as part of the Annual Audit Work Programme, request periodic updates from management on the implementation of audit recommendations in order to evaluate progress thereon. The internal audit report will include management's response and corrective action taken or to be taken with regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented. Internal Audit is responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain "open" until cleared.

Management Responsibilities

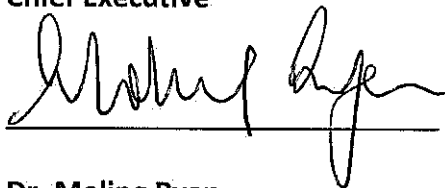
Management has primary responsibility for establishing and maintaining a proper and effective control environment and for managing risk. Management also bears primary responsibility for the prevention and detection of fraud and resolving any fraud that may occur. Internal Audit is responsible for ensuring that its audit programme and methodologies take due account of the possibility of fraud. It may fully investigate any fraud or suspected fraud uncovered.

Directors of Service and Heads of Section will be expected to co-operate with Internal Audit in the Annual Audit Planning process, by identifying, through the use of risk analysis, areas and activities which carry significant financial, operational and other business risks.

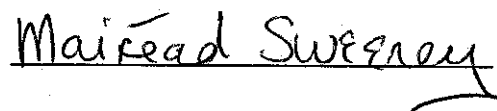
Directors of Service, Heads of Section and their senior staff are expected to co-operate and work proactively with Internal Audit and to respond in a timely manner to requests for information and to timeframes for responses to draft and final reports. They will be responsible for deciding the appropriate action to be taken in response to reported audit findings, in the absence of specific recommendations by Internal Audit. They will also be responsible for addressing audit concerns and for the timely implementation of accepted audit recommendations.



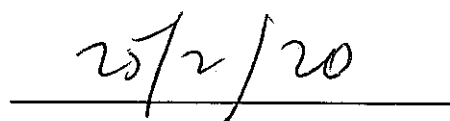
Peter Carey
Chief Executive



Dr. Moling Ryan
Chair of Audit Committee



Mairead Sweeney
Head of Internal Audit



Dated