

## 1. Policy intent

To establish a policy about an Internal Audit function and its interaction with the Audit Committee.

## 2. Scope

This policy is to apply to the Internal Auditor, the Audit Committee and staff involved in the Internal Audit function.

## 3. Background/supporting information

3.1 Section 105(1) of the Local Government Act 2009 provides that each local government must establish an efficient and effective internal audit function.

3.2 Section 207 of the Local Government Regulation 2012 provides as follows:

### **207 Internal audit**

- (1) For each financial year, a local government must—
  - (a) prepare an internal audit plan; and
  - (b) carry out an internal audit; and
  - (c) prepare a progress report for the internal audit; and
  - (d) assess compliance with the internal audit plan.
- (2) A local government's *internal audit plan* is a document that includes statements about—
  - (a) the way in which the operational risks have been evaluated; and
  - (b) the most significant operational risks identified from the evaluation; and
  - (c) the control measures that the local government has adopted, or is to adopt, to manage the most significant operational risks.
- (3) A local government must give its audit committee—
  - (a) the progress report mentioned in subsection (1)(c); and
  - (b) at least twice during the year after the internal audit is carried out, each of the following documents—
    - (i) a summary of the recommendations stated in the report;
    - (ii) a summary of the actions that have been taken by the local government in response to the recommendations;
    - (iii) a summary of any actions that have not been taken by the local government in response to the recommendations.
- (4) If a local government does not have an audit committee, a reference to the committee in subsection (3) is taken to be a reference to the chief executive officer.

## 4. Policy statement

4.1 Council will ensure an internal audit function is maintained for the organisation.

4.2 Council is to appoint an Internal Auditor (who may or may not be a Local Government Employee).

- 4.3 The Internal Auditor must perform the following duties:
- a. Identify and assess the risks to which the local government's operations are exposed;
  - b. Prepare audit plans to lessen the identified risks;
  - c. Develop a work program for all internal audit activities of the local government;
  - d. Supply a summary of each internal audit report to the Mayor, Chief Executive Officer and the Audit Committee;
  - e. Supply a summary of audit findings, actions taken and actions outstanding to the Mayor, Chief Executive Officer and Audit Committee;
  - f. Attend Audit Committee meetings.
- 4.4 The Internal Auditor may advise the Auditor General about an audit finding.

## 5. Responsibility

Council is responsible for the adoption, amendment and repeal of the Policy and the Chief Executive Officer is responsible for the development and amendment of any associated procedures and guidelines relevant to the Policy.

## 6. Review

It is the responsibility of the General Manager Organisational Services to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed every three years or as required by Council.

This Policy is to remain in force until otherwise amended/repealed by resolution of Council.

This Policy repeals the former Tablelands Regional Council Policy titled "Internal Audit Policy" adopted 25 February 2009.

**JUSTIN COMMONS**  
**CHIEF EXECUTIVE OFFICER**