

TREASURER'S DIRECTIONS

PART 3 - RESPONSIBILITIES OF ACCOUNTABLE OFFICERS

Section 2 - Internal Audit

Authorities: *Financial Management Act*

Section

3. Interpretation
13. Duties of Accountable Officers
15. Internal audit

Defined Terms - *Refer to Part 1 Section 2*

- Accountable Officer
- Agency
- employee
- internal audit
- internal control

OVERVIEW

One of the primary responsibilities of an Accountable Officer is to ensure his/her Agency has an adequate internal audit capacity. Internal audit is a management tool designed to provide assurance that systems and internal controls operating within Agencies are adequate and effective. It carries out its functions by undertaking audits, reviews and other related tasks for improving the performance of organisations.

STATEMENT OF INTENT

- 3.2.1 This Section provides a framework within which Accountable Officers can discharge their internal audit responsibilities under the Act.

REQUIREMENTS FOR ACCOUNTING AND PROPERTY MANUALS - *refer to part 3 section 1*

3.2.2 Accountable Officers are responsible for incorporating in their Agency's accounting and property manual, procedures and appropriate controls to ensure that:

- auditors are provided with access to relevant information, employees and records;
- explanations enabling the proper performance of an audit are provided by employees;
- a program of internal audit is developed; and
- results and recommendations of an audit are reported to the Accountable Officer.

CHARTER

3.2.3 An Agency's internal audit function shall operate under a charter that is supported by the Accountable Officer.

3.2.4 An internal audit charter should clearly state the authority, independence, responsibilities and scope of the internal audit function and be consistent with standards of relevant professional bodies.

RESOURCING

3.2.5 Internal audits shall be performed by auditors with adequate skills and competence such that the requirements of relevant professional bodies are satisfied.

ACCESS

3.2.6 Accountable Officers shall ensure that auditors have access to relevant information, employees and records of the Agency at all times, and that employees furnish necessary explanations to enable the proper performance of an audit.

PROGRAMMING

3.2.7 Agencies shall develop an appropriate program of internal audit that enables Accountable Officers to satisfy their responsibilities under the Act.

REPORTING

3.2.8 The results and recommendations of an internal audit shall be reported to the Accountable Officer.