

Government of Anguilla Internal Audit Department Charter

1. The Charter
2. The Mission
3. Objective and Scope of Internal Audit
4. Accountability
5. Independence
6. Responsibility
7. Authority
8. The Audit Committee

1. THE CHARTER

The charter establishes the mission, scope and objectives, authority, responsibility, accountability and independence conferred by the Executive Council on the Department of Internal Audit.

2. MISSION

The mission of the Internal Audit Department is to add value to and improve the operations of government departments, ministries and subsidiaries, by measuring and evaluating the efficiency and effectiveness of managerial and financial controls, risk management, asset management, and governance processes.

3. SCOPE AND OBJECTIVE OF INTERNAL AUDITING

The overall objective of the Internal Audit function is to assist all Permanent Secretaries, Heads of Departments and Ministries in the effective discharge of their responsibilities, by providing independent analysis, appraisals, advice and recommendations regarding the activities reviewed.

This involves:-

- Reviewing and appraising the adequacy and effectiveness of the systems of internal control throughout all departments and ministries;
- Appraising the relevance, reliability and integrity of management, financial and operating information;
- Reviewing established systems to ensure compliance with policies, plans, procedures, statutory requirements and regulations which can impact operations;
- Reviewing measures taken for the safeguarding of government's assets, and, where appropriate verify the existence of these assets;
- Appraising the economy, efficiency and effectiveness with which government's resources are utilized;
- Reviewing operations to determine whether results are consistent with departments and ministries goals and whether these operations, are carried out as planned
- Assessing the adequacy of established systems and procedures;
- Ensuring that organizational risks are appropriately identified and managed; and
- Conducting special assignments and investigations on behalf of Permanent Secretaries, Heads of Department, Audit Committee, and Government Ministers into any matter or activity affecting the probity, interests and operating efficiency of the Government of Anguilla.

Opportunities for improving government's control, profitability and image will be identified through audit recommendations. These recommendations will be communicated to the appropriate level of management.

4. ACCOUNTABILITY

The Internal Audit Manager, in the discharge of his/her duties shall be responsible to management through the Audit Committee to:-

- Provide, on an on-going basis assessments of the adequacy and effectiveness of procedures for controlling the activities of Government and managing risks as set forth in the mission and scope;
- Report significant issues related to the processes for controlling the activities of departments and ministries, with recommendations to improve these processes
- Provide quarterly updates on the status and results of the quarterly audit plan and the budgetary review for the audit department;
- Co-ordinate internal audit efforts with external audit and provide support for external audit.

5. INDEPENDENCE

The organizational status of the Internal Audit Department should be sufficient to allow the accomplishment of its audit objectives. To achieve this some level of independence must be established. The staff of the Internal Audit Department must report to the Internal Audit Manager who will report functionally to the Honorable Deputy Governor, and administratively to the Permanent Secretary of Finance.

6. RESPONSIBILITY

The Internal Audit Manager and staff of the Internal Audit Department have the responsibility to:

- Develop a flexible quarterly audit plan using an appropriate risk-based audit methodology, including any risks or control concerns identified by Senior Management, and submit the plan to the Audit Committee for review and approval as well as periodic updates;
- Implement the quarterly plan as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee;
- Maintain a professional audit staff with sufficient knowledge, skills and experience to meet the requirements of this Charter;
- Present quarterly reports to the Audit Committee summarizing the results of Audit Activities;
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing;
- Provide a list of significant measurement goals and results to the audit committee on a quarterly basis ;

- Assist in the investigation of significant suspected fraudulent activities within the government service and notify management and the Audit Committee of the results;
- Provide support for the External Audit function; and
- Maintain appropriate auditing standards.

7. AUTHORITY

The Internal Audit Manager and the staff of the Internal Audit Department are authorized to:

- Have unrestricted access to all books, documents, accounts, property, vouchers, records, correspondence and other information of the departments and ministries of government;
- Have the right at reasonable times to enter the premises of any Government Department and request any officer to furnish all information, and such explanations deemed necessary for them to form an opinion on the probity of action, adequacy of systems and or controls. The officer responsible shall respond promptly to such inquiries.
- Have access to the Audit Committee;
- Allocate resources of the Audit Department, set frequency of audits, select subjects to audit, determine scope of work and apply any techniques required to achieve audit objectives;

The Authority of the Internal Audit Manager and the Audit Staff does not extend to the criminal element of the Judicial and legal systems not addressed in this charter.

8. THE AUDIT COMMITTEE

The Audit Committee of the Government of Anguilla is established to serve as a channel of communication for both internal and external auditors.

The objectives of the Audit Committee are:


- To review the proposed scope of the internal and external audit function;
- To review audit performance
- To appraise the effectiveness of the audit function
- Review co-ordination of effort between the internal and external auditors;
- To ensure that audit recommendations are implemented in a timely manner;
- To review and, or initiate any queries, suggestions or recommendations necessary to ensure:
 1. Compliance with policies, plans, procedures, laws and regulations;
 2. Safeguarding of Government's assets;
 3. Economic and efficient use of Government's resources;
 4. Accomplishment of established objectives and goals; and
 5. To take remedial action to any failure to correct previously identified control weaknesses.

The Audit Committee shall meet at least four times a year on a quarterly basis and shall comprise the following members:

- Chairman - Honorable Deputy Governor
- Secretary - Internal Audit Manager
- Member - Permanent Secretary Finance
- Member - P S Home Affairs, Natural Resources and Tourism

STANDARDS OF AUDIT PRACTICE

The internal audit department will meet the standards for the professional practice of internal Auditing as set out by International and/ or Regional Internal Audit Institutions and approved by the Audit Manager.



Honorable Chief Minister

Mr Osbourne Flemming



Honorable Deputy Governor and
Audit Committee Chairman

Mr Mark Capes



Internal Audit Manager

Ms Heather Ritchie

Dated 29th October 2003