

VALUATION OFFICE

CHARTER OF THE INTERNAL AUDIT UNIT

Internal Audit is an independent appraisal function established by management in order to review the system of internal control. Its role is to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The Office's internal control system comprises the whole system of controls, financial and otherwise, established by management in order to achieve its objectives, ensure adherence to policies, safeguard assets and secure as far as possible the completeness and accuracy of records.

This Charter identifies the purpose, authority and responsibility of the Internal Audit Unit and of a person engaged to conduct a specific internal audit review of transactions processed or performance achieved by the office.

The Audit and Risk Committee, in consultation with the Internal Audit Unit, is responsible for determining the Internal Audit Unit's programme of work and this programme is subject to approval by the Commissioner of Valuation in his role of Accounting Officer.

It is the intention at this stage that all internal audit assignments will be conducted under a contract, on foot of the Internal Audit Unit's programme of work. The person(s) undertaking the assignments will report to the Head of the Internal Audit Unit to whom it will submit completed reports for consideration by the Accounting Officer and the Audit and Risk committee. There may also be circumstances where the staff of the Internal Audit Unit will conduct audit reviews at the request of the Accounting Officer.

Authority and Scope

The Internal Audit Unit derives its authority from the Commissioner of Valuation in his role as Accounting Officer for the Valuation Office Vote. A person duly engaged to carry out internal audit functions is authorised to have full access to Office records (manual and electronic), physical properties and personnel relevant to the carrying out of the review. Such a person will be responsible for safeguarding records and other materials entrusted to their care. Such a person will have recourse to the Accounting Officer during an assignment.

The Internal Audit Unit does not have any direct responsibility for or authority over, the activities it reviews, as this would impair its objectivity.

Responsibilities

The independent appraisal of the management of the functions specified for review in each assignment is primarily designed to give assurance to the Accounting officer as to the adequacy and effectiveness of the Office's internal control and management system.

The primary responsibility for internal control rests with line managers who, without regard to audit activity, must ensure that appropriate and adequate control arrangements exist in their areas of responsibility. The role of internal audit assignments is to appraise the adequacy and effectiveness of those arrangements and to make recommendations for improvements as appropriate. Responsibility for implementation of audit recommendations also rests fully with the line managers concerned.

In carrying out assignments, a person engaged to perform internal audit functions will act professionally and ethically and will adhere to the standards and guidelines issued by the Department of Public Expenditure and Reform and will have regard to best practice as enunciated, in particular, by the Institute of Internal Auditors and the Auditing Practices Board. Any such person will have access to and co-operate with the auditor(s) appointed by the Comptroller & Auditor General.

Independence

In order to preserve the objectivity and independence of internal audit, each assignment will not include any operating responsibilities for, and will remain independent of, the activities being examined. However, it may, if deemed appropriate by the Accounting Officer, extend to the review of systems which are under development and advise on appropriate controls without prejudicing the right of internal audit to subsequently audit such systems.

Approach - Audit Assignments

Internal Audit will, in general, taking account of the control environment, adopt a systems-based approach to its audits supplemented, where appropriate, by use of traditional transaction testing and verification methods on a sampling basis. Managers of areas to be audited will be notified, where possible, in advance. During the course of an audit, management and staff will be required to co-operate fully with the auditor's requirements.

Reports

At the conclusion of each audit, a draft report is prepared and is submitted to relevant line management for views and comments on findings and recommendations. These views will be considered and recorded in the final report. The final report is then submitted for the consideration of the Audit Committee and is at the same time sent to the Accounting Officer and to the relevant line managers.

Relationship with the Audit Committee

The staff of the Internal Audit Unit will attend meetings of the Audit Committee at the request of the Committee and will submit plans and other reports for consideration by the Committee.

Relationship with External Auditors

The Internal Audit Unit will develop an effective working relationship with the external auditors i.e. the staff of the Comptroller & Auditor General's Office. Copies of final audit reports will be made available to the external auditors.

Contracts

The Internal Audit Unit will review any procurement contracts that are brought to its attention which exceed €25,000 in value (excluding VAT) that the Office proposes to award without a competitive tendering process.

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