

# **PALM ISLAND ABORIGINAL SHIRE COUNCIL**

## **POLICY STATEMENT**

**SUBJECT:** Internal Audit

**AUTHORITY:** Council of the Whole.

**PURPOSE:** To implement and manage efficient delivery of quality services to community residents by providing effective leadership and a high standard of corporate governance.

**POLICY:** Every three years, Council will appoint an internal auditor by establishing a purchasing arrangement in accordance with s.7 of the Local Government (Community Government Areas) Finance Standard 2004. The purchasing arrangement will provide for an ongoing internal audit service for the life of the arrangement.

Internal audit will provide:

- Internal audit presence at the exit interview conducted by external audit;
- If for the previous financial year, Council received an unqualified audit opinion from the Auditor-General, one comprehensive internal audit for the year following;
- If in the previous financial year, Council received a qualified audit opinion from the Auditor-General, two comprehensive internal audits for the year following (at the first, internal audit will assist Council implement the Auditor-General's recommendations and assist in the preparation of any action plan requested by the Auditor-General); and
- Any other service provided for in the purchasing arrangement.

The scope of internal audit is to include both compliance by Council and operational performance of Council (including any controlled entities) and includes:

- Evaluating the extent of compliance with legislation, policies and procedures;
- Reviewing systems and procedures and evaluating the adequacy of controls;
- Recommending improvements to systems and procedures;
- Advising on appropriate systems of control and other operational matters;
- Being involved in the design, implementation and testing of planned controls when major changes are made to various administrative systems (however, internal audit is not responsible for the detailed implementation of such systems);
- Assessing the accuracy and appropriateness of reports and other information provided to Councillors;

- Reviewing revenues and expenditure of Council and its controlled entities;
- Advising on revenue enhancement and cost reduction;
- Reviewing the efficiency of IT hardware and software and other office technologies;
- Making recommendations to maximise the benefit of advances in IT and other office technologies;
- Evaluating Council operations and service delivery; and
- Making recommendations to achieve operational best practice.

Internal Audit will have access to all operations, activities, records and property deemed relevant to the exercise of their functions and reasonable assistance from all Councillors and Council staff.

Council will immediately report to the police, the Crime and Misconduct Commission and the Auditor-General, all cases of actual or suspected loss, theft, misappropriation or misuse of Council monies or property, identified by internal audit.

At the conclusion of each visit, internal audit will provide verbal reports to the Mayor and CEO. Within one month of each visit, internal audit will provide a written report including activities assessments and advice.

DELEGATION: Authority in respect of this Policy is hereby delegated to the Chief Executive Officer.

RESOLUTION DATED: May 2010