



NYANDARUA COUNTY ASSEMBLY

INTERNAL AUDIT CHARTER

2017

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INTERNAL AUDIT CHARTER

MISSION

The mission of the internal auditing department is to provide independent, objective assurance and consulting service designed to add value and improve the County Assembly(CA) operations. It helps the County Assembly accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

SCOPE OF WORK

The scope of work of the internal auditing department is to ensure that the County Assembly policies, procedures and programmes with financial implication , control and governance processes, are designed and implemented by the County Assembly officers, is adequate and functioning in a manner to ensure:

- a) Risks are appropriately identified and mitigated.
- b) Significant financial, managerial, and operating information is accurate, reliable, and timely
- c) Employees' actions are in compliance with policies, standards procedures and applicable laws and regulations – Enforce internal controls.
- d) Resources are acquired economically, used efficiently, and adequately protected from unauthorised loss, misuse and disposal – Value for money

- e) The County Assembly's programs, plans and objectives are achieved.
- f) Relevant legislative or regulatory issues impacting the County Assembly are recognized and addressed properly.

ACCOUNTABILITY

The Head of Internal Audit (HIA), in the discharge of his/her duties, shall advise the County assembly clerk and County Assembly Service Board on the following:-

- a) Provide an assessment on the adequacy and effectiveness of the County Assembly's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- b) Report significant issues related to the processes for controlling the activities of the CA, including potential improvement on resources.
- c) Provide information periodically on the status and results of the annual audit plan and the sufficiency of department resources.
- d) Coordinate and cooperate with other control and monitoring function (external audit).

INDEPENDENCE AND REPORTING

Internal Audit staff will report to the Head of internal Audit (HIA) while the HIA will report administratively to the clerk and functionally to the County Assembly Service Board.

RESPONSIBILITY

The internal auditing department has responsibility to:

- a) Develop a flexible annual audit plan and submit that plan to the County Assembly Service Board for review and approval.
- b) Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by senior officers and the County Assembly Service Board.
- c) Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- d) Establish a quality assurance program by which the HIA assures the operation of internal auditing activities.
- e) Perform consulting services, beyond internal auditing assurances services, to assist the County Assembly in meeting its objectives.
- f) Issue quarterly reports to the County Assembly Service Board and the County Assembly clerk summarizing results of audit activities.
- g) Keep the County Assembly Service Board informed of emerging trends and successful practices in internal auditing.
- h) Provide a list of significant measurement goals and results to the County Assembly Service Board.
- i) Assist in the investigation of suspected fraudulent activities within the County Assembly and to notify the County Assembly clerk and the County Assembly Service Board of the results.
- j) Consider the scope of work of the external auditors and other regulators, as appropriate, for the purpose of providing optimal audit coverage to the county assembly.

- k) Perform all other functions stipulated in the Public Finance Management Act and other relevant Acts, Regulations, Guidelines and Circulars that are issued from time to time.

AUTHORITY

The HIA and staff of the internal auditing department are authorized to:

- a) Have unrestricted access to all functions, records, property and personnel for purpose auditing.
- b) Have access to the County Assembly Service Board.
- c) Allocate audit resources, set frequencies, select subjects, determine scopes of work and apply the techniques required to accomplish audit objectives.
- d) Obtain the necessary assistance of personnel in units of the County Assembly where they perform audits, as well as other specialized services from within or outside the County Assembly.

The HIA and staff of the internal auditing department are not authorized to:

- a) Perform any operational duties for the county assembly.
- b) Initiate or approve accounting transactions, including procurement requests, payment vouchers, etc except when they relate to the internal auditing department.
- c) Direct the activities of any county assembly employee not employed in the internal auditing department, except to the extent

such employees have been appropriately assigned to auditing team or to otherwise assist the internal auditors.

STANDARDS OF AUDIT PRACTICE

The internal auditing department will follow guidelines contained in the government internal Audit manual and the Professional Practices Framework of the Institute of Internal Auditors (IIA-Inc) and the Institute of Certified Public Accountants of Kenya (ICPAK).

CERTIFICATION

The following have signed the internal audit Charter to confirm their understanding the purpose, authority and responsibility of the internal audit activity and commitment to ensuring the department achieves its objectives:

Head of internal Audit

Date

County Assembly
Clerk

Date

Chair Audit
Committee

Date