



REPUBLIC OF THE GAMBIA

National Assembly, New Assembly Building, Reg, Pye Lane
Banjul, The Gambia

NATIONAL ASSEMBLY

INTERNAL AUDIT CHARTER

PREPARED BY THE INTERNAL AUDIT UNIT

Contents

- 1. Introduction.....**Error! Bookmark not defined.**
- 1.1 Purpose and mission of this charter.....**Error! Bookmark not defined.**
- 1.3 Mission Statement.....**Error! Bookmark not defined.**
- 1.4 International Standards for the Professional Practice of Internal Auditing.....5
- 2. Independence and objectivity.....6
- 3. Coordination with the National Audit Office (NAO) 7
- 4. Authority 8
- 5. Quality Assurance and Improvement Program.....8
- 6. Responsibility9
- 7. Conclusion.....10
- 8. Approval and acknowledgement 10

National Assembly Model Internal Audit Activity Charter

Introduction

The Model Internal Audit Activity Charter is designed to illustrate common practices typically set out in an Internal Audit Activity Charter. The generic nature of this draft is intended to encourage customization. However, The document may not reflect all legal or regulatory requirements that exist in every jurisdiction. Additionally, stakeholder expectations may influence the inclusion or deletion of certain practices. (IPPF)

One of the greatest challenges every organization faces is the assurance of efficient and effective risk management — those policies and processes are designed to leverage or mitigate risks to the organization's advantage. When done well, internal audit provides that assurance as part of its role to protect and enhance organizational value.

For internal audit to operate at the highest levels, it must have clearly defined and articulated marching orders from the governing body and management. This is most easily achieved with a well-designed internal audit charter.

Purpose and Mission

This charter describes the purpose, authority, and responsibility of the Internal Audit Unit in the National Assembly of the Gambia. The Charter also defines the scope of internal audit, the audit universe, and the required coordination with the National Audit Office (NAO).

The Internal Audit charter serves as a guide to the Internal Audit Unit of the National Assembly in the performance of its duties. It also defines the relationship between internal audit Unit with the National Assembly Authority and management, and provides a basis for management and the National Assembly Authority to evaluate the operations of the Internal Audit function.

The purpose of National Assembly's Internal Audit Unit is to provide independent, objective assurance and consulting services designed to add value and improve National Assembly's operations.

The mission of the Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit unit helps National Assembly accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. A Blueprint to assurance success.

Standards for the Professional Practice of Internal Auditing

The Internal Audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The head of internal audit will report periodically to senior management and the authority, regarding the internal audit activity in conformity with the Code of Ethics and the Standards.

Authority

The head of internal audit will report functionally to the [authority, board/audit committee/supervisory committee] and administratively (i.e., day-to-day operations) to the [Clerk, National Assembly as the administrative head/Chief Executive Officer].

To establish, maintain, and assure that National Assembly's Internal Audit Unit has sufficient authority to fulfill its duties, the [authority, board/audit committee/supervisory committee] will:

- Approve the Internal Audit Unit Charter.
- Approve the Risk-Based Internal Audit Plan.
- Approve the Internal Audit Budget and Resource Plan.
- Receive communications from the head of internal audit on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the head of internal audit.
- Approve the remuneration of the head of internal audit.
- Make appropriate inquiries of management and the head of internal audit to determine whether there is inappropriate scope or resource limitations.

The head of internal audit will have unrestricted access to, and communicate and interact directly with, the authority, board/audit committee/supervisory committee], including in private meetings without the presence of management. The [authority, board/audit committee/supervisory committee] authorizes the internal audit unit to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.

- Obtain assistance from the necessary personnel of National Assembly, as well as other specialized services from within or outside National Assembly, in order to complete the engagement.

Internal Audit reports will be distributed in accordance with detailed guidance in the Internal Audit Charter to the following

- The Clerk of the National Assembly
- National Assembly Authority (Governing Board)
- Senior Official responsible for the system or process under audit
- Auditor General of GOTG

An Annual Audit plan will be submitted to the Clerk of the National Assembly and to the National Assembly Authority prior to the beginning of a new financial year. The purpose is to advise Senior Management and Members of The National Assembly Authority of the programme of internal audit work for the forthcoming financial year. The plan will be compiled following consultation with relevant officials as listed in the Audit Charter. There should also be an effective liaison with the Auditor General/National Audit Office on the annual plan to minimise duplication and to consider whether there could be reliance on each other's work.

An Annual Audit Report should be prepared and presented to the Clerk of the National Assembly and the National Assembly Authority showing the activity of Internal Audit, progress achieved against plan and a summary of the significant audit findings for the previous financial year.

Coordination with the National Audit Office (NAO)

The National Audit Office is established by an Act as an autonomous institution. Auditors from the National Audit Office may rely on the work done by the Internal Audit Unit with regards to the assessment of internal control systems.

The Auditor General is entitled to copies of all internal audit reports. The Internal Audit Unit has to coordinate its activities with those of the NAO so as to ensure that there is proper audit coverage and to minimise duplication of efforts.

Independence and Objectivity

The head of internal audit will ensure that the internal audit [department/activity] remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the chief audit executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties. Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for National Assembly or its affiliates.
- Initiating or approving transactions external to the internal audit unit.
- Directing the activities of any employee not employed by the National Assembly, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the head of internal audit has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The head of internal audit will confirm to the authority at least annually, the organizational independence of the Internal Audit Unit.

The head of internal audit will disclose to the authority any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results. Scope of Internal Audit Activities The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the [authority, board/audit committee/supervisory committee], management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for National Assembly. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of National Assembly's strategic objectives are appropriately identified and managed.
- The actions of National Assembly's officers, directors, employees, and contractors are in compliance with National Assembly's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the National Assembly.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and

have integrity.

- Resources and assets are acquired economically, used efficiently, and protected adequately.

The head of internal audit will report periodically to senior management and the authority regarding the following:

- The activities, purpose, authority, and responsibility of the Internal Audit Unit
- The Internal Audit Unit plan and performance
- The Internal Audit Unit's compliance with the IIA's Code of Ethics and Standards, and action plans to address any significant compliance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the authority.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the National Assembly.

The head of internal audit also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit unit may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The head of internal audit has the responsibility to:

- Submit, at least annually, to Senior Management and the Authority a risk-based internal audit plan for review and approval.

- Communicate to Senior Management and the Authority about the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in National Assembly's business, risks, operations, programs, systems, and controls.
- Communicate to Senior Management and the Authority regarding any significant interim changes to the internal audit plan.
- Ensure each engagement of the Internal Audit Plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to Senior Management and the Authority any corrective actions not effectively implemented.
- Ensure that the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Internal Audit Unit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit Charter.
- Ensure trends and emerging issues that could impact the National Assembly are considered and communicated to Senior Management and the Authority as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Audit Unit.
- Ensure adherence to National Assembly's relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit Charter. Any such conflicts will be resolved or otherwise communicated to Senior Management and the Authority.
- Ensure conformance of the Internal Audit Unit with the following Standards and qualifications:

If the internal audit activity is prohibited by law or regulation from conformance with certain parts of the Standards, the head of internal audit will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.

If the Standards are used in conjunction with requirements issued by [other authoritative bodies], the head of internal audit will ensure that the internal audit activity conforms with the Standards, even if the internal audit activity also conforms with the more restrictive requirements of other authoritative bodies.

Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the

internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Internal Audit Unit and identify opportunities for improvement.

The head of internal audit will communicate to Senior Management and the [authority, board/audit committee/supervisory committee] on the Internal Audit Unit quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the National Assembly.

Conclusion

The internal audit charter should be viewed by Senior Management and the governing body (National Assembly Authority) as an important board policy document that enables the Head of Audit and internal audit activity to effectively carryout their roles in the organization. It establishes clarity among risk managers within the organization and among stakeholders of Internal audit's role in the risk management process, and helps stakeholders to enable and measure internal audit's value to the organization.

Approval and acknowledgement

We accept, approve, and acknowledge the contents of this charter.

Signatures

Head of Internal Audit
Chief Audit Executive

Date

Clerk, National Assembly
Chief Executive Officer

Date

Chairperson, National Assembly Authority
[Authority, Board/Audit Committee/Supervisory Committee] Chair

Date