Internal Audit Charter -

January 2025 to January 2029

Introduction

This charter provides the framework for the conduct of the internal audit function in Elections ACT and has been approved by the ACT Electoral Commission (the Commission).

The Electoral Commissioner is responsible for the management of the internal audit function. The Deputy Electoral Commissioner provides operational oversight of the function.

Purpose of internal audit

Internal audit provides an independent and objective assurance and advisory service to:

- Provide assurance to the Commission that the entity's financial and operational controls are operating in an efficient, effective, economical and ethical manner; and
- Assist management in improving the entity's business performance.

Scope of internal audit activity

Internal audit activity may encompass the review of any or all financial and non-financial policies and operations. Internal audit reviews may cover any of the programs and activities of Elections ACT. The Commission will identify areas for audit activity, considering the electoral cycle and key operational risks.

Independence

Independence is essential to the effectiveness of the internal audit function. Internal audit has no direct authority or responsibility for the activities it reviews.

The internal audit function has no responsibility for developing or implementing procedures or systems and does not perform in-line management functions.

Internal audit reports functionally to the Commission who act as the agency's Audit Committee. The Electoral Commissioner is accountable to the Commission for the efficient and effective operation of the internal audit function.

Internal audit will have free and unrestricted access to the Audit Committee.

Authority and confidentiality

All audits are undertaken under the authority of the Commission.

Subject to compliance with Elections ACT security policies, internal auditors are authorised to have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation and information necessary to enable internal audit to meet its responsibilities.

All records, documentation and information accessed in the course of undertaking internal audit activities are to be used solely for the conduct of these activities. Individual internal audit staff (including contractors and external service providers performing work on behalf of internal audit) are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

Roles and responsibilities

In the conduct of its activities, internal audit will play an active role in:

- Developing and maintaining a culture of accountability, integrity and adherence to high ethical standards;
- Facilitating the integration of risk management into day-to-day business activities and processes; and
- Promoting a culture of cost-consciousness and self-assessment.

Internal audit has a primary responsibility to advise on governance, risk management and control issues and is required to report inadequately addressed risks and non-effective control processes to management and/or the Commission. Reporting will be escalated to a level consistent with the internal audit assessment of the risk.

Internal audit will implement the annual audit plan, as approved, including if appropriate, any special tasks or projects requested by the Commission (Audit Committee).

Internal audit activities will encompass the following areas.

Assurance activities

Internal audit assurance activities include audits with the following orientation:

Compliance

- Compliance with legislative requirements, ACT Government and Elections ACT policies and procedures;
- The adequacy and effectiveness of internal controls, including information technology system controls such as those relating to finance, operations, information technology systems and information security;
- The ethical conduct of the agency and its employees, contractors and agents; and

- The recording, control and use of entity assets.

Performance improvement

- The economy, efficiency and effectiveness of the entity's business systems and processes.

Advisory services

Internal audit can advise Elections ACT management on a range of matters as appropriate, including:

New programs, systems and processes

- Providing advice on the development of new programs and processes and/or significant changes to existing programs and processes, including the design of appropriate controls.

Risk management

- Assisting management to identify risks and develop risk mitigation and monitoring strategies as part of the risk management framework; and

- Monitoring and reporting on the implementation of risk mitigation strategies.

Fraud control

- Assisting management to identify the risks of fraud and develop fraud prevention and monitoring strategies.

Follow-up activities

The Electoral Commissioner will be responsible for appropriate follow-up of audit engagement findings and recommendations.

Standards

Audit activities will be conducted in accordance with the professional standards promulgated by The Institute of Internal Auditors, Australia. Internal Audit will meet the mandatory guidance provided in the International Professional Practices Framework (IPPF), published by The Institute of Internal Auditors: The Definition of Internal Auditing, Code of Ethics and International Standards.

Internal audit activities will also be conducted in accordance with the Australian Capital Territory Public Service and supporting Elections ACT values, policies and procedures.

In the conduct of internal audit work, internal audit staff, including contract staff, will comply with relevant professional standards of conduct and exercise due professional care in performing their duties.

Relationship with the Auditor General's office and other assurance activities

Consistent with the internal audit strategy, internal audit activity should be planned to ensure the adequacy of overall audit coverage and to minimise duplication of relevant audits by the ACT Auditor General and other assurance activities. The Auditor General's Office retains full and free access to all internal audit strategies, plans, working papers and reports.

Planning

The Deputy Electoral Commissioner will prepare, for the Commission's consideration, a Strategic Internal Audit Program (SIAP) and an Annual Internal Audit Plan to be agreed by the ACT Electoral Commission. The Electoral Commissioner will communicate the impact of resource limitations and any significant changes in the program to the Commission.

Reporting to the ACT Electoral Commission

The Electoral Commissioner will report to each meeting of the Commission on:

- Audits completed;
- Progress in implementing the SIAP;
- The overall state of internal controls in Elections ACT and any systemic issues requiring management attention, based on the work of internal audit and other assurance providers; and
- The status of the implementation of agreed internal and external audit, Legislative Assembly Committee and other relevant external body recommendations.

Administrative arrangement

As part of a quality assurance program, the Electoral Commissioner will review the effectiveness of the operations of the internal audit function at least every five years.

The results of the quality assurance program will be reported to the ACT Electoral Commission.

Review of the charter

This charter will be reviewed every four years by the Commission. Any substantive changes will be formally approved by the Commission.