

Internal Audit Charter



1. Preamble

These terms of reference are based on the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and endeavours to follow best practice. It is the policy of the HSE to support a strong, appropriately resourced internal audit function and to act promptly on implementing audit recommendations. Internal Audit maintains its own operating procedures.

2. Terms of Reference for the Internal Audit Division

2.1 Mission

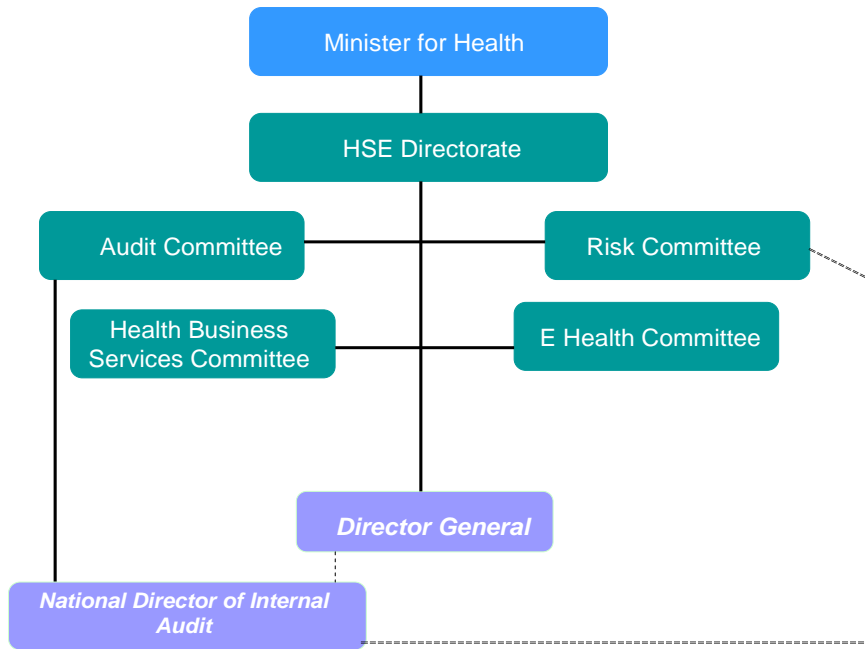
The Mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The role of internal audit is:

“to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes” (The Institute of Internal Auditors).

2.2 Where Internal Audit fits in the HSE

The following organogram shows the Internal Audit Division position in the overall HSE.



2.3 Objectives of Internal Audit

- To provide assurance on the adequacy of control within the HSE’s internal control systems and activities: that is, to comment on and recommend changes to the systems and activities; to follow up the implementation of agreed actions; and to bring deficiencies therein to the notice of the local operating management, the Leadership Team, the Audit Committee, the Risk Committee and the Directorate.
- To facilitate the HSE in its corporate governance reporting process.
- To draw up an annual programme of audits having regard to the HSE’s Statement of Strategy and Risk Management policy in consultation with Senior Management, the Audit Committee, the Risk Committee, and the Leadership Team; to demonstrate objectivity, comprehensiveness and relevance to management, the Audit Committee, the Risk Committee and the Directorate in respect of the areas to be audited and the respective priorities for these audits within the programme. (Code S7.10)
- To carry out the approved planned annual programme of audit work.
- To carry out such audit, investigation and review work as may be requested by the Audit Committee, the Risk Committee, the Director General and the Directorate.
- To liaise with the Comptroller & Auditor General (C&AG) and external auditors to ensure that efficient and effective audit coverage is achieved.

- To review and advise management on cost effective controls for new systems and activities.
- To highlight opportunities to reduce costs through greater economy and efficiency within systems and activities.
- To carry out a programme of Value for Money (VFM) audits as appropriate.

2.4 Scope of work

The work of the Internal Audit Division is conducted in accordance with the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics and International Standards of the Institute of Internal Auditors or equivalent professional standards. (Code S 7.11 and IIA Standards)

Audit work covers all systems and activities in all departments and locations throughout the HSE, both currently existing and under development and bodies totally or partially funded by the HSE and public monies held in trust by HSE or bodies totally or partially funded by the HSE. Work is prioritised according to risk, the judgement of the National Director of Internal Audit, requests from senior management and the direction of the Audit Committee. Audits may range from compliance work to operational auditing reviews and investigations as appropriate.

2.5 Independence

The Internal Audit Division is independent of the activities it audits. (Code S7.8)

The National Director of Internal Audit has an administrative reporting relationship to the Director General and a functional reporting relationship to the Audit Committee and the Risk Committee. The National Director's reporting relationship to both the Audit Committee and the Risk Committee is through the respective chairs of each Committee.

The National Director of Internal Audit attends all Audit Committee meetings and reports regularly on the work of the Division. The National Director meets independently with the Audit Committee without management in attendance.

The National Director of Internal Audit reports to the Risk Committee on those reports of the Division which also have a relevance to the work of the Risk Committee.

The National Director of Internal Audit reports directly to the Chairperson of the Audit Committee and has right of direct access to the Director General of the HSE. The Internal Audit Division has no executive or managerial responsibilities except those relating to the Internal Audit Division and has no authority over, or responsibility for, the activities audited.

The work of the Internal Audit Division shall remain free from interference by management of the organisation.

Members of management shall not amend internal audit reports nor cause them to be amended before they are presented to the Chairperson of the Audit Committee and/or the Chairperson of the Risk Committee.

Management are afforded the opportunity of responding to audit findings.

The existence of the Internal Audit Division does not relieve line management of its responsibility for effective control of the activities for which it is responsible. (Code S7.10)

2.6 Access

The Internal Audit Division has the right to review all the management and control systems both financial and operational and has unrestricted access to all functional areas, records (both manual and electronic), property, and personnel in the performance of its audits. Specifically, the Internal Audit Division is responsible for the effective review of both internal control and non-clinical risk management. (Code – S7.9)

Internal Audit will maintain all records and information provided to it in a safe and secure manner.

Internal Audit shall have free and unfettered access to all management information needed to carry out its work. A holder of highly confidential or sensitive information is entitled to allow access to the National Director of Internal Audit alone.

Internal Audit has full right of access to all Appointed Directors (including the Director General), employees, contractors, suppliers, customers, all organisations funded by the HSE, and external auditors all of whom are required to co-operate fully with the Internal Audit Division.

3. National Director of Internal Audit

3.1 General summary

The National Director of Internal Audit is responsible for managing and directing in an efficient manner, the activities of the Internal Audit Division. Those activities are concerned with independent internal audits of the HSE and audits of all organisations funded by the HSE, company vendors, contractors, licensees, and others as required. The work of the National Director of Internal Audit is conducted independently within established HSE policies and procedures and within professional guidelines for internal auditing.

3.2 Principal duties and responsibilities

- Submit at least annually an Internal Audit plan for review and approval by the Audit Committee.
- Determines, plans, and supervises the work of the Division in the performance of internal audits and regularly reports to the Audit Committee and the Risk Committee on the outcomes of this work.
- Confers with HSE management and the Audit Committee and the Risk Committee on policies, programmes, and activities of the Internal Audit Division; makes recommendations regarding specific areas of responsibility.
- Reports the findings of audits to the Audit Committee, Risk Committee (where relevant) and Leadership Team.
- Develops and updates audit programs and checklists; plans and monitors audit work schedules; develops and recommends implementation of forms, systems, and procedures to carry out responsibilities and accomplish goals of the Internal Audit Division.
- Ensures that any accounting standards specified by the Minister are met and audit principles and policies are followed, and evaluates the adequacy and effectiveness of internal accounting procedures and operating systems and controls.

- Meets with HSE management at all levels and the Audit Committee and the Risk Committee, as necessary, to discuss audit plans and results and make recommendations to resolve audit findings requiring corrective action.
- Plans, supervises, reviews, and participates in the training of Internal Audit Division personnel.
- Develops and maintains a quality assurance and improvement programme (IIA Standards).
- Performs special audit-related projects as assigned. Directs the preparation of the Division's budget requests.
- Performs other duties as assigned.
- Agrees and periodically updates the Internal Audit Charter in consultation with the Audit Committee.

4. HSE Memorandum of Understanding with TUSLA

TUSLA was established on 1st January 2014 when it disaggregated from the HSE.

HSE and TUSLA entered into a Memorandum of Understanding (MOU) with effect from that date to continue the existing levels of service across both agencies without any change, without any interruption and without cross charging.

Under the MOU, HSE Internal Audit provides an Internal Audit service to TUSLA and reports to TUSLA's Audit Committee on the results of that work.