

**Radiation Protection Authority of Zimbabwe**

*"... protecting people and the environment against radiation effects ..."*

# INTERNAL AUDIT CHARTER

RPAZ/CA/AD-01

June, 2014

# **INTERNAL AUDIT CHARTER**

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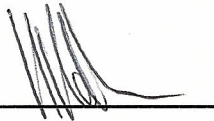
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**RPAZ INTERNAL AUDIT CHARTER**

**APPROVED BY RADIATION PROTECTION BOARD**



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Board Directors

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**DATE:** June 19, 2014

**RPAZ INTERNAL AUDIT CHARTER**

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## RPAZ INTERNAL AUDIT CHARTER

*RPAZ Internal Audit Charter*  
RPAZ/CA/AD-01

Published by the Radiation Protection Authority of Zimbabwe

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### **Document Availability**

The document can be viewed on the RPAZ website ([www.rpaz.co.zw](http://www.rpaz.co.zw)). To order a printed copy of the document in English, please contact,

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## RPAZ INTERNAL AUDIT CHARTER

### 1 INTRODUCTION

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Internal Audit, as defined by the Institute of Internal Auditors, is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. This charter defines and identifies the mission, objective, scope, accountability authority and responsibilities of the Internal Audit Department established in terms of *Section 13* of the Radiation Protection Act [Chapter 15:15].

### 2 MISSION

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Internal Audit shall function as an independent appraisal activity within Radiation Protection of Zimbabwe (RPAZ) to provide a protective and value added service to management and the Radiation Protection Board in discharging their duties and responsibilities. This mission shall be achieved by providing objective analysis, assessments, recommendations and commentary concerning activities reviewed. Additionally, internal audit shall seek opportunities to provide consulting services to its internal customer base in an effort to add value and improve organizational efficiencies and effectiveness.

### 3 SCOPE

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The scope of work of the Internal Audit Department is to determine the adequacy and functionality of RPAZ's network of risk management, control and governance process as designed and represented by management to ensure that:

- a) Risks are appropriately identified and managed;
- b) Significant financial, managerial and operating information is accurate, reliable and timely;
- c) Employees' actions are in compliance with policies, standards, procedures, applicable laws and regulations;
- d) Resources are acquired economically, used efficiently and adequately protected;
- e) Programs, plans and objectives are achieved;
- f) Quality and continuous improvement are fostered in RPAZ's control process;
- g) Significant legislative or regulatory issues impacting RPAZ are recognized and addressed appropriately.

Internal Audit shall also assist in carrying out special investigations, management consultancy and independent reviews in areas related to fraud control, risk management, safety, security and other areas as may be determined by the Audit Committee.

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### **4 ORGANIZATIONAL STATUS**

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The Internal Auditor shall report functionally to the Audit Committee and administratively to the Chief Executive Officer. The Internal Auditor shall be strategically positioned at senior management level.

The Audit Committee shall approve all decisions regarding the appointment, performance evaluation, or removal of the Internal Auditor.

The Internal Auditor shall communicate and interact directly with the Audit Committee, including in executive sessions and between Board meetings as appropriate.

### **5 AUTHORITY**

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The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of the organization's records, physical properties, and personnel pertinent to carrying out any engagement. All employees shall be requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity shall also have free and unrestricted access to Radiation Protection Board.

Internal audit has authority and a right to receive any information, explanations, documents, and records that may, in its opinion and judgment, be deemed necessary in fulfilling its duties and responsibility to RPAZ.

The Internal Audit Department shall not be authorized to:

- a) Perform any operational duties for RPAZ;
- b) Initiate or approve accounting transactions external to the Internal Auditing Department;
- c) Direct the activities of any RPAZ employee not employed by the Internal Auditing Department, except to the extent such employees have been appropriately assigned to auditing teams or to assist the Internal Auditor.

### **6 INDEPENDENCE AND OBJECTIVITY**

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Internal audit shall be independent of the activities that it audits within RPAZ so that it can give an unbiased opinion on the state of risk management, internal controls and governance. To ensure that it can be effective in the discharge of its role, internal audit shall have full access to all records, properties, operations, assets, minutes of all meetings and committees and to interview staff as to the extent to which they influence the security and control of operations and systems.

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The Internal Audit Department shall remain independent of line and functional Management and shall be answerable solely to the Audit Committee.

Independence of the Internal Audit Department shall also be ensured by the internal audit function being free of any due influences which could restrict, overrule or otherwise affect the judgment as to the content of a report or in way that requires the department to function under duress or which could affect the authority or conduct of an investigation.

The principle of independence entails that the Internal Auditor has the authority to communicate directly on his own initiative, to the Radiation Protection Board, the Chairman of the Radiation Protection Board of directors, Audit Committee Chairman or the external auditors where appropriate, according to the provisions of this charter.

The Internal Auditor shall confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

### **7 RESPONSIBILITIES**

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The Internal Audit Department responsibilities are to:

- a) Develop a flexible Annual Audit Plan using an appropriate risk-based methodology, including any risks or control concerns identified by management and submits the plan to the Audit Committee for review and approval as well as periodic updates;
- b) Implement the annual Audit Plan, as approved by the Audit Committee, including as appropriate any special task or projects requested by management;
- c) Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certificates to meet the requirements of this charter;
- d) Issue periodic reports to the Audit Committee summarizing results of audit activities at least four times a year;
- e) Assist in the investigation of significant suspected fraudulent activities within RPAZ and notify management and the Audit Committee of the results;
- f) Act as consultants on significant proposed changes in internal control systems and the implementation of new systems and make recommendations on the standards of control to be applied;
- g) Report significant issues related to the processes for controlling the activities of RPAZ including potential improvements to those processes, and provide information concerning such issues through resolution;
- h) Periodically provide information on the status and results of Annual Audit Plan and sufficiency of departmental resources;
- i) Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental and external audit).

## **8 PROFESSIONALISM**

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The internal audit activity shall govern itself by adherence to The Institute of Internal Auditors (IIA) mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The IIA's Practice Advisories, Practice Guides, and Position Papers shall also be adhered to as applicable to guide operations. In addition, the internal audit activity shall adhere to RPAZ relevant policies and procedures and the internal audit activity's standard operating procedures manual.

## **9 OPERATING PRINCIPLES**

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### **9.1 STANDARDS**

In planning, conducting and reporting reviews, internal audit shall adopt recognized best practice. Useful examples of standards to be set are the Standards for Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

### **9.2 PLANNING**

At least annually, the Internal Auditor shall submit to the Audit Committee an internal audit plan for review and approval, including risk assessment criteria. The internal audit plan shall include timing as well as budget and resource requirements. The Internal Auditor shall communicate the impact of resource limitations and significant interim changes to senior management and the Audit Committee.

The internal audit plan shall be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Radiation Protection Board. Prior to submission to the Audit Committee for approval, the plan may be discussed with appropriate senior management. Any significant deviation from the approved internal audit plan shall be communicated through the periodic activity reporting process.

### **9.3 CONDUCT OF INTERNAL AUDIT**

Internal audit shall work closely with management in effective discharge of their responsibilities to provide them with balanced analysis appraisals, information and recommendations on the areas of audit.

### **9.4 REPORTING AND MONITORING**

A written report shall be prepared and issued by the Internal Auditor or designee following the conclusion of each internal audit engagement and shall be distributed as appropriate. Internal audit results shall also be communicated to the Audit Committee.

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The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter within five working days by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that cannot be implemented.

The internal audit activity shall be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings shall remain in an open issues file until cleared.

### 9.5 AUDIT FOLLOW-UP

The Internal auditor shall follow-up and monitor implementation of the agreed corrective action.

Management's plan of corrective actions and implementation time-table for completion shall be developed and agreed upon by management and the Auditor. The status of the corrective actions should be monitored and reported to the Audit Committee and the CEO so that follow-up action can be taken to inform the appropriate levels of management on outstanding issues.

### 9.6 CONFIDENTIALITY

Internal audit shall abide by the principle of confidentiality of corporate information and shall comply with this requirement.

### 9.7 CONFLICT OF INTEREST

The internal audit staff shall refrain from entering into any activity which may be in conflict with the interest of their work or which would prejudice their ability to carry out their duties and responsibilities objectively. Where there is/or maybe conflict of interest, internal audit through the C.E.C may request the assistance of third parties such as External Auditors or Consultants.

### 9.8 PERIODIC ASSESSMENT

The Internal Auditor is also responsible for providing periodically a self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its Plan.

In addition, the Internal Auditor shall communicate to senior management and the Radiation Protection Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

## 10 LIAISON AND COORDINATION

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Internal audit shall ensure that its Annual Internal Plan is communicated to others who have a need to review business controls, such as External Auditors, this reflects the opportunity to coordinate its work, to minimize duplication and disruption to management.

Opportunities shall be taken to work jointly with other functions within RPAZ to review business controls in areas where they have greater specialist knowledge (e.g. Information Technology) and

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to share the results of audits throughout RPAZ in order to spread best practice knowledge gained through internal audit's work.

### 11 STAFFING

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The Internal Auditor is responsible for ensuring that the internal audit function is sufficiently equipped to meet the requirements set out in the Audit Charter. This includes the recruitment and staffing with sufficient numbers of appropriately qualified and experienced staff. The Audit staff structure shall however be approved by the C.E.O, Human Resources Committee and the Audit Committee.

The Internal Auditor shall be responsible for:

- a) Ensuring that the abilities of the staff are maintained and enhanced by complying with the continuing professional education requirements of bodies to which the staff belong;
- b) Enabling and encouraging staff to further their professional education;
- c) Providing sufficient and high quality training both formally and on the job;
- d) Developing and implementing a regularly applied formal appraisal system of sufficient detail to include details on promotional standards and disciplinary offences and consequences.

*“... protecting people & the environment against radiation effects ...”*

*Safety Principles:*

- Justification of facilities and activities
- Optimisation of protection
- Limitation of risks to individuals
- Protection of present and future generations
- Prevention of accidents
- Emergency preparedness and response
- Protective actions to reduce existing or unregulated radiation risks

— Fundamental Safety Principles: Safety Fundamentals,  
IAEA Safety Standards Series No. SF - 1 (2006)

Radiation Protection Authority of Zimbabwe

Harare