

## **PURPOSE OF THE INTERNAL AUDIT FUNCTION**

The purpose of the internal audit function is to provide independent, objective assurance and consulting activities designed to add value and improve the Bojanala Platinum District Municipality's operations. It helps the Bojanala Platinum District Municipality to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process.

## **RESPONSIBILITIES OF THE INTERNAL AUDIT FUNCTION**

The Internal Audit Function has the responsibility to

- Develop a flexible annual audit plan using an appropriate risk based methodology, including any risks or control concerns identified by management, and submit that plan to the audit committee for review and approval as well as periodic updates
- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee
- Issue periodic reports to the audit committee and management summarizing results of audit activities
- Assist in the investigation of significant suspected fraudulent activities within the organisation and notify management and the audit committee of the results
- Consider the scope of work of external auditors as appropriate, for the purpose of providing optimal audit coverage to the Municipality at a reasonable overall cost
- Respond to calls received via the Municipality's fraud hotline
- Evaluate potential exposure to risks in the various departments of the Municipality
- Make follow ups to determine whether appropriate action has been taken on queries or reports and to evaluate any plans or actions taken to correct reported conditions for satisfactory disposition of audit findings.

## **ACCOUNTABILITY**

The Internal Audit Function shall be accountable to the Municipal Manager and the Audit Committee to:

- Provide monthly an assessment on the adequacy and effectiveness of the Municipality's process for controlling its activities and managing its risk in the areas set forth under the mission and scope of work
- Report significant issues related to the process for controlling the activities of the Municipality including potential improvements to those process, and provide information concerning such issues through resolution
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of function's resources.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external auditing).

