

Internal Audit Charter

Department of Imports and Exports Control

Introduction

The effective operation of internal auditing is a significant part of the internal control mechanism in the public institutes, which is mandated by the Financial Regulation No.134 and National Audit Act No 19th of 2018. In accordance with its principle guidelines, the Internal Audit Charter is executed on the instructions issued by the Department of Management Audit dated 24.07.2020 and under the guidance of International Auditing Standards No. 1000 issued by the Institute of Internal Auditors.

The Charter mainly describes the way of operating the Internal Audit Division on the areas prescribed below with the approval of the Audit and Management Committee (AMC) of the Department.

1. Mission

Provide an effective and efficient service through a well-planned and risk-based Internal Audit plan to protect and enhance the values of the Department.

2. Purpose

Sustain the Department assets and minimize malpractices in developing of an internal control system within the corporate environment and set out periodic inspections in the manner of systematic and disciplined approach to provide a quality of service.

3. Scope

Review the functions in the areas of Administration, Financing and Operations of the Department by reaching, accessing and scrutinizing the activities, areas, resources and records in order to ensure the degree of performances that are accorded to leverage the accountability of the Head of the Department.

The decisions on fiscal policies taken time to time in the emergency situations will also be taken into consideration.

4. Cord of Ethics

Activities may be harmonized with the core principles including general standards, guidelines and definitions published by the Institute of Internal Auditors (IIA) to sustain the Internal Professional Practices Framework (IPPF) and in line with the provisions available in the National Audit Act and Financial Regulations.

5. Responsibilities

The responsibilities are not limited to the examinations and reporting, that are expected to achieve targeted goals and objectives effectively.

Internal Audit responsible includes,

5.1 Planning

- Develop the Internal Audit Plan annually on a risk based methodology with the approval of Audit and Management Committee (AMC).
- Communicate the changes of Internal Audit Plan with Audit and Management Committee (AMC).

5.2 Execution

- Implement the Audit Plan timely manner.
- Evaluate the risks and issues related to the Department objectives and goals
- Evaluate the systems whether would comply with the policies, plans, procedures, laws and regulations and its impact on the Department.
- Evaluate the internal control systems that were implemented for the safeguard Assets.
- Carry out the investigations on timely basis.
- Carry out the specific review when requested by Head of the Department.
- Coordinate with the National Audit Office.

5.3 Reporting

- Submit the reports timely manner on findings, activities, recommendations and proposals.
- Reporting specific cases, transactions/ information on the request of Head of the Department.

5.4 Follow-up Actions

- Organize the progress review meetings in order to ensure the implementation of External and Internal Auditors observations and recommendations.

5.5 Advisory Services

- Provide consultation and recommendations with regard to the upliftment of the Department's Mission by strengthening the Internal Control System and Risk Management.

6. Authority

Activities of the Internal Audit are fully authorized and unrestricted to access any records, physical properties or personnel pertinent freely and held responsible to keep confidentiality on records and information. All employees must assist the internal audit activities in fulfilling their roles and responsibilities.

7. Independence

The Internal Audit Division is independent from the general operations of the Department to deliver an unbiased outcome and reporting.

As per para 40(3) of the National Audit Act No 19 of 2018, the Internal Audit Division is operated under the directions of the Head of the Department and reported directly to him.

8. Position within the Organization

Internal Audit Division is positioned under the Head of the Department.

9. Reporting Line Continue

The reporting line reflects the independency of the Audit Division as per provisions available in the Financial Regulation No 134 (1) thus, the the internal Audit Division is **direct** accountable to the Head of the Department.

Internal Audit Charter

Approved this 17th day of September 2020.


17/09/2020
Chief Internal Auditor

K.P.D.M. Karunanayake
Chief Internal Auditor
For Controller General
Department of Import & Export Control
Colombo 01.

T. V. D. Damayanthi S. Karunarathne
Controller General of Imports & Exports
Department of Import & Export Control
Colombo 01.


7/09/20
Chairman of the Audit and Management Committee