Audit Committees in the European Public Sector

Position Paper
Audit Committees

in the European Public sector

June 2019

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The ECIIA is the voice of internal audit in Europe. Our role is to enhance corporate governance through the promotion of the professional practice of internal auditing. Our members comprise 34 national institutes of internal auditing from countries that fall within the wider European region, representing over 47,000 members. ECIIA’s mission is to further the development of good corporate governance and internal audit across Europe through knowledge sharing, promoting best practice, developing key relationships and impacting the regulatory environment by dealing with the European Union, its Parliament and other regulators and associations representing key stakeholders.

The Public Sector

The ECIIA Public Sector Committee was set up in 2018 to promote internal audit and good governance in the European public sector and decided that its first project would be to produce a paper on Audit Committees (ACs) in the public sector.

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We would like to thank everyone involved in the production of this paper.
This paper examines the potential role of the Audit Committee (AC) as an important and effective contributor to the governance process. Using information and examples gathered from Public Sector Committee members and contact persons across Europe, the paper provides an insight into ACs and examines their role, purpose and composition together with best practices for their effective operation. It also looks at the benefits they can bring and some of the potential obstacles to their establishment within the public sector.

The intended audiences for this paper in the European public sector are:

- Chief Audit Executives
- Governing bodies
- Executive and Non-executive directors
- Regulatory and supervisory authorities
- The internal audit profession

The Institute of Internal Auditors defines the purpose of the AC as providing ‘a structured, systematic oversight of the organisation’s governance, risk management and internal control practices’ [IIA Global model Audit Committee Charter, April 2017]. It assists the board and management by providing independent oversight, advice and guidance.

For the government sector, INTOSAI’s Internal Control Standards define the AC as, ‘A committee of the board of directors whose role typically focuses on aspects of financial reporting and on the entity’s processes to manage business and financial risk, and for compliance with significant legal, ethical and regulatory requirements’ [INTOSAI GOV 9100, Annex 2 Glossary, 2004].

Definitions

1 The public sector, in a European context, includes government entities, ministries, public agencies, local government, municipalities and other public entities

2 In the context of this paper, the Board refers to the highest-level governing body charged with the responsibility to direct and/or oversee the activities and management of the organization [IIA Global Public Sector Insight: independent Audit Committees in Public Sector Organisations: June 2014]
Governance failures, in both the public and private sectors, have highlighted the need for boards or in general those charged with governance, to be better informed, more proactive and accountable. The global financial crisis in 2008 triggered a series of regulatory responses. In Europe, this paved the way for a system of financial supervision in the banking, insurance and financial markets sectors which included changes to the scope and expectations of ACs. The development and repositioning of ACs in the financial services sector led to a reappraisal of ACs in other sectors.

Whilst the private sector is profit driven and focuses on increasing shareholder value, the public sector’s main aim is to deliver public services. Despite these differences, both shareholders and taxpayers are similar in their quest for more information and greater accountability. As a result, both corporate directors and leaders of public sector bodies must understand and be fully focused on governance, risk management, the control environment and the organisation’s ethics and culture. The consequences of corporate governance failures can be severe and, in order to meet the growing challenge, boards are increasingly seeking assurances to help them to discharge their responsibilities.

Although the Board, or equivalent public sector governing body, is ultimately responsible for governance, the establishment of an AC can significantly support the Board by providing oversight of financial and non-financial reporting, risk management, internal control, compliance, ethics, leadership, internal audit, external audit and other assurance providers.

ACs are a common feature in the private sector and may be established for public sector/ state-owned enterprises but are much less a feature of non-market public sector organisations such as ministries and local governments.

Background
**Existence of Audit Committees**

**Current Situation**

In June 2018, a survey was sent out to members of the Public Sector Committee to establish the position in each of the 12 participant nations together with the European Commission’s own Internal Audit Service. Detailed results of this survey are set out in Appendix 1.

Of the 12 nations in the survey, only in France\(^1\) and the UK\(^2\) are ACs mandatory in all ministries. In the European Union Institutions, in accordance with EU Financial Regulation (August 2018), each institution must have an Internal Audit Progress Committee.

In Italy, ACs are not established in the public sector but there are a number of similar bodies. In central and local government a Supervisory Board (SB) is required by law and is appointed by the Chief Executive or Board. In local government departments, a board of auditors is required at local level. Companies partially owned by public administration, at both central and local level, that are listed on the Italian or foreign stock exchange, are required to have an AC.

In the Czech Republic, there is no legal obligation to have ACs in central or local government. Only public enterprises are required to have an AC. In both Spain and Germany, ACs are rarely found in the public sector. In Germany, some publicly owned companies have set up an AC. In Spain, the Good Governance Code addresses listed companies but does not specifically affect the public sector. Public sector organisation’s can voluntarily set up an AC but this is not a regular or frequent situation.

In Sweden, only a small number of government agencies have an AC. Publicly owned enterprises that are traded on the stockmarket, are required to have an AC.

In Finland, there are no state government agencies with an AC.

In Norway and Denmark there are no ACs in the public sector.

In Iceland, there are no ACs in the core government sector but they do exist in some public companies/ public owned enterprises and within the City of Rejkjavik.

In the European Union Institutions, in accordance with the European financial regulations (August 2018) each institution must have an Internal Audit Progress Committee.

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1. In the French government sector, the Audit Committee is known as the Internal Audit Committee
2. In the UK government sector, the Audit committee is known as the Audit And Risk Assurance Committee
Mandate and Responsibility of Audit Committees

Where ACs do exist, their mandate may be derived from legislation, regulation, government policy or best practice.

The responsibilities of the AC may include review, oversight and providing independent assurance to the governing body on the:

- systems and practices management establishes to promote and sustain high ethical standards
- governance initiatives established by the Board
- comprehensiveness and reliability of assurances on risk management and the control environment
- integrity of financial statements and the annual report
- establishment, implementation, maintenance and effectiveness of risk assessment, management and reporting processes
- internal control and anti-fraud and corruption framework
- performance management framework
- including the setting up, measuring and monitoring of key performance indicators
- financial reporting process
- system for monitoring and ensuring compliance with laws, regulations, codes of conduct and ethical policies
- counter fraud and whistle-blowing processes

Specifically relating to audit the AC may:

- appoint/dismiss the internal and external auditors
- approve the Internal Audit Charter
- approve the internal audit plan
- review internal and external audit results and the implementation status of approved management action plans in response to audit recommendations
- ensure the independence, professionalism and objectivity of the internal audit activity.
To enable the AC to effectively discharge its responsibilities, it should report into the Board or its public sector equivalent, i.e., the body with ultimate responsibility for the organisation’s governance. It should also have access to all major risk owners.

The AC should be entitled to seek any information from the organisation’s management and staff deemed necessary to discharge its responsibilities. Successful AC performance will be aided by the ease and demeanor of the communications between the committee members and management and its relationships with other governance committees as well as the external and internal auditors.

The AC should normally invite the Chief Audit Executive and the external auditor, e.g., Supreme Audit Institution (SAI), to attend its meetings.
A n effective AC should be independent from management. Consequently all, or at least a majority of its members, should be independent.

The AC needs to be clear about its mandate, purpose and role in the organisation and within the governance structure as a whole. There should be a clear understanding of the responsibilities and functions of the committee, and of the activities for which the committee is not responsible. The AC Terms of Reference/Chart should be agreed by the Board and made publicly available.

The AC should advise the Board on key risks but should not have any executive responsibilities nor be charged with endorsing any decisions.

ACs need to have an effective Chair and should be supported by appropriate secretarial arrangements. AC members should have appropriate access to the organisation’s board, management and staff.

People appointed to ACs should collectively have good business acumen, knowledge of governance, assurance and risk management, a good knowledge of the sector or industry in which the public entity operates and financial expertise. Each member should have a good understanding of the organisation’s objectives and priorities and be prepared to provide good support and robust challenge. In particular, ACs should understand the Board’s risk appetite and ensure that executive management operate within this parameter.

All AC members should receive training to understand the workings of government or to help them understand the nature of the organisation’s role and operations.

There should be periodic assessment of the AC’s performance, both of its members (by the Chair) and collectively as a Committee (by the Board).

Executives of the organisation should not be appointed to the AC; their role is to attend, provide information and participate in discussions, either for the whole meeting or for particular agenda items as requested.
Advantages / Benefits

ACs can make a significant contribution to effective governance and hence an organisation’s success. They can:

- promote a strong ethical culture, good governance and financial/ non-financial management, better decision making and effective and efficient use of resources.
- provide non-executive advice to the Board
- provide independent and objective assurance on the level of achievement of the organisation’s objectives, including strategic risks.
- help the Board to fulfil its responsibilities by paying attention to the organisation’s strategy and operations together with the associated risks.
- promote confidence in financial/ non-financial reporting and controls
- ensure that the collective assurance roles are co-ordinated and optimised
- help prevent fraud and corruption

In addition, ACs can promote, support and challenge the internal audit function. They can:

- educate the board/ executive management on the added value provided by the internal audit function.
- oversee and develop IA’s remit and ensure IA independence, ie reporting line independent of the executive
- monitor the quality and effectiveness of IA work
- monitor management’s response to IA findings and implementation of IA recommendations
Obstacles to establishing ACs

The main obstacles to their creation are:

- insufficient interest at a political level or even perceived potential conflict
- misunderstanding of their role and the benefits they may bring
- lack of mandation or legal obligation
- difficulties in securing AC members with suitable competence, experience and commitment
- costs – ACs can be costly to maintain, both in terms of money and human resources
It is somewhat surprising that the European public sector has lagged behind the private sector in the establishment of ACs, given the ever increasing public demand for greater accountability and transparency over how taxpayers’ money is spent.

There is general agreement that ACs have a number of advantages with few perceived disadvantages. ACs can play a significant part in overseeing an organisation’s governance, risk and control processes as well as promoting a strong ethical culture.

The existence of ACs does not automatically mean that the organisations that have established them necessarily run well and have no problems with governance, internal control or external reporting. However, if they have the right membership and operating practices, they can provide considerable value to the organization by providing independent support and challenge.

Recommendation

The mission of the ECIIA is to develop the internal audit profession and good governance in Europe.
Appendix 1
Benchmarking of 12 Countries

Czech Republic

Existence of AC
There is no legal obligation to have ACs in central or local government. Only public enterprises are required to have an AC.

EU Institutions

Existence of AC
In accordance with EU Financial Regulation (August 2018), each EU Institution must have an Internal Audit Progress Committee.

Legal Basis
EU Institutions are required by the relevant Financial Regulation to establish an Internal Audit Progress Committee.

Membership & Independence
The composition of the IAPC is decided by each EU Institution, taking into account its organisational autonomy and the importance of independent expert advice. In the European Commission, the internal members are Commissioners and its Audit Progress Committee, which includes three external audit members, reports directly to the highest level within the Institution, i.e.: the College of Commissioners.

Roles & Responsibilities
The IAPC is tasked with ensuring the independence of the internal auditor, monitoring the quality of the internal audit work and ensuring that internal and external audit recommendations are properly taken into account and followed up by its services.

Communication & Relationships
The APC communicates with the Internal Auditor, the Secretary General, senior management of the Commission’s/Institutions’ departments, i.e.: Directorate Generals and, where appropriate, the Accounting Officer and the European Court of Auditors (external auditor). The APC reports to the College of Commissioners and may bring issues to the attention of a Corporate Management Board. APC communicates with the Internal Auditor, the Secretary General, senior management of the Commission’s/Institution’s departments.

Advantages/Disadvantages
ACs are seen as advisory bodies which facilitates the Board/College’s oversight of the governance, risk management and internal control practices of the EU Institutions. There are no perceived disadvantages.
Denmark

Existence of AC  There are no ACs in the public sector.
Legal Basis  There is no legal mandate to have ACs.
Membership & Independence  There are no rules/guidance on membership.
Advantages/Disadvantages  It is concealed that the a potential disadvantage of an AC is that it may intervene in highly political issues.

Finland

Existence of AC  None of the 68 state administration accounting units has an AC. A few agencies have a Risk Committee which is attended by internal audit as an expert member. In the municipal sector only one city has AC.
Legal Basis  There is no legislation requiring ACs in the government sector or in local government level, but every agency has a Rule of Procedure, which may include regulations regarding an AC.
Membership & Independence  There are no rules/guidance on the membership but good public governance law includes general regulations against bias.

France

Existence of AC  Audit Committees are mandatory in all ministries. In the French government sector, each Minister must ensure that there are effective arrangements in place for governance, risk management and internal control. The Minister has to be supported an Internal Audit Committee (IAC)
Legal Basis  The Government issued a Decree and a Circular letter in 2011 providing guidance on internal audit including the role of the IAC. This is reinforced by complementary professional guidance, issued Central Harmonisation Committee for State Internal Audit, on the IA framework and recommendations to strengthen the IA.

Advantages/Disadvantages  The main advantage of an IAC is that it gives the Minister independent and objective assurance on the level of achievement of its objectives, including strategic risks. IAC also educates highest top managers on the added value provided by the internal audit function.

Obstacles to their creation  The main obstacles are seen to be misunderstanding of the IAC role and added value by top management, variable interest at political level, difficulties in finding qualified external/non-executive members with sufficient knowledge of the business, risk management and internal audit and challenges to oversee internal audit activity on very large scope public policies.

Roles & Responsibilities  The IAC is accountable to the Minister. Its primary purpose is to provide the Minister and the IAC members with independent assurance on the adequacy and effectiveness of the organisation’s risk management, internal control and governance processes. The IAC must also guarantee the independence, professionalism and objectivity of the internal audit activity. Other duties include definition of the internal audit policy of the Ministry, approving the Internal Audit Plan ensuring follow up of internal audit recommendations.

Communication & Relationships  The IAC communicates with the General Secretary, directors and owners of major ministerial risks. The Minister, supported by the IAC and the General Secretary in charge of the coordination of the risk management system, is the first contact with the Supreme Audit Institution (External Audit) who certify the public accounts each year.

Germany

Existence of AC  ACs are rarely found in the public sector. In Germany, some publicly owned companies have set up an AC.
Legal Basis  AC procedures for publicly owned companies are set out in the Public Corporate Governance Code.
Membership & Independence  Members of the AC must meet particularly high standards where their
Existence of AC
Iceland

Roles & Responsibilities

Advantages/Disadvantages

Obstacles to their creation

Communication & Relationships

Membership & Independence

Legal Basis

Italy

Existence of AC

Roles & Responsibilities

Advantages/Disadvantages

Communication & Relationships

Membership & Independence

Legal Basis

Iceland

Existence of AC

No ACs in the core government sector but they do exist in some public companies/ public owned enterprises and within the city of Reykjavik.
Advantages/Disadvantages  ACs are seen to enhance the organisation’s internal control system and ensure transparency. There are no perceived disadvantages.

Obstacles to their creation  There is no legal obligation for the Government Departments to appoint an AC. The AC role is not sufficiently understood and is not operating effectively and sometimes suffers from political interference and lack of independence. Only listed companies have the faculty, but not the obligation to appoint an AC but again there can be independence issues.

Norway  🇳🇴

Existence of AC  There are no ACs in the public sector.

Legal Basis  There is no legal mandate to have ACs. However, some entities have adopted models from the private sector.

Membership & Independence  Some special expertise is required but no requirements for independence.

Roles & Responsibilities  ACs co-ordinate external and internal audit and assess internal audit’s work. They also assist the Board in executing its oversight responsibilities.

Communications & Relationships  ACs communicate with the Board and the Internal Audit.

Advantages/Disadvantages  The main benefits of an AC are that it is independent and provides support to IA and ensures that more time is spent on governance, risk management and internal control issues.

Obstacles to their creation  A potential obstacle is the member’s competence and commitment to risk management issues can be weak.

Spain  🇪🇸

Existence of AC  ACs are rarely found in the public sector. In Spain, the Good Governance Code addresses listed companies but does not affect the public sector. Public sector organisations can voluntarily set up an AC but this is not a regular or frequent situation.

Legal Basis  There is no legal requirement to establish ACs in the government sector, except at state mercantile companies with all the capital of the general administration of the state, that is mandatory.

Membership & Independence  Guidance was published in 2017 on recommended good practices for ACs. This guidance covers diversity with regard to gender, professional experience, skills and sectoral knowledge and recommends that at least one member should have experience in IT.

Roles & Responsibilities  ACs in the private sector monitor the preparation and integrity of the financial information, the independence and work of the IA function and provide a mechanism for staff to confidentially report irregularities.

Advantages/Disadvantages  ACs are viewed as having many advantages such as strengthening corporate governance and therefore transparency and good performance. They also strengthen the IA function. There are no perceived disadvantages.

Obstacles to their creation  There are no obstacles to the effective operation of ACs but there is no legal obligation or strong recommendation to establish them in the public sector. Not all public sector organisations consider them necessary.

Communications & Relationships  ACs in public companies communicates with the public authorities. All public companies are under the supervision of SAI but there is no specific standard for a relationship between the AC and SAI.
Sweden

Existence of AC  Only 15 out of 69 agencies have an AC. A few do have risk committees.

Legal Basis  There is no legislation requiring ACs in the government sector, but every agency has a Rule of Procedure, which may include regulations regarding an AC.

Membership & Independence  There are no rules/guidance on membership.

Roles & Responsibilities  ACs prepare issues for the Board but are not decision-making bodies. They support and give feedback on internal audit reports and provide quality assurance before issuing the opinion to the Board.

Advantages/Disadvantages  ACs are recognised as providing support to internal audit and giving the Board confidence in audit related matters.

United Kingdom

Existence of AC  Audit Committees are mandatory in all ministries. In the UK government sector, the Board/Accounting Officer must similarly ensure that there are effective arrangements in place for governance, risk management and internal control. The Board is required to be supported by an Audit and Risk Assurance Committee (ARC).

Legal Basis  HM Treasury guidance for central government departments requires that the Board and Accounting Officer should be supported by an Audit and Risk Committee.

Membership & Independence  There are no rules/guidance on membership.

Roles & Responsibilities  The ARC should be chaired by a suitably experienced non-executive board member. The ARC should comprise at least three members. Executives of the organisation should not be ARC members; their role is to attend, provide information and participate in discussions. The Accounting Officer and Finance Director should routinely attend ARC meetings along with the Chief Audit Executive, Risk Manager and a National Audit Office (SAI) representative.

Advantages/Disadvantages  There are no perceived obstacles to establishing an ARC but there is undoubtedly a cost and sometimes there may be difficulties in recruiting the required non-executive expertise.

Obstacles to their creation  The main obstacles are seen to be the competence and interest of board members.

Roles & Responsibilities  The ARC is key to supporting the Board in fulfilling its responsibilities for setting the organisation’s risk appetite and for ensuring that controls are in place to manage risk in accordance with this appetite. The ARC should advise the Board on key risks but should not have any executive responsibilities or be charged with endorsing any decisions. It must take care to ensure its independence. The ARC should lead the assessment of the Board’s Annual Governance Statement.

Communication & Relationships  The ARC communicates with the Board, Accounting Officer and owners of major risks. ARC meetings are attended by the Chief Audit Executive and by the National Audit Office (SAI).

Advantages/Disadvantages  The ARC is seen as a key component of an organisation’s corporate governance with the potential to make a real difference to the way public services are provided. It is perceived as the principal non-executive adviser to the Board, providing independent assurance, challenge, advice and support. The ARC helps the Board to fulfil its responsibilities by paying attention to the organisation’s strategy and operations together with the associated risks. It provides the Board with assurance and insight by examining the effectiveness of risk management as well as other assurance providers such as external and internal audit. It promotes a strong ethical culture, good governance and financial management, better decision making and effective and efficient use of resources. The ARC can help to ensure internal audit’s independence by providing the Chief Audit Executive’s with a reporting line independent of the executive.
Appendix 2
Audit Committee Terms of Reference/Charter Sample

ECIIA Public Sector Committee
Audit Committees in the European Public Sector: Sample Charter

Introduction

The Charter establishes the role, purpose, membership and composition, values and operational principles, organisation of meetings, responsibilities and reporting of the Audit Committee.

Purpose

The purpose of the Audit Committee is to provide structured systematic oversight of the organization's governance, risk management, and internal control practices. The committee assists the board by providing advice and guidance on the adequacy of the organization's initiatives for:

- Financial Statements and external audit
- Internal Control, Risk and Governance
- Internal and external audit Oversight
- Financial statements and public accountability reporting

In broad terms, the Audit Committee reviews each of the items noted above and provides the board with independent advice on the adequacy and effectiveness of management's practices. This advice and guidance also may include suggestions and recommendations to strengthen these arrangements.

Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Meet with organization officers, external auditors, or outside counsel, as necessary.
• Receive any information or explanations from employees and management of the organization that it deems necessary to discharge its responsibilities.
• Approve auditing and non-audit services (if applicable).

Composition

The Audit Committee shall consist of at least three members, the majority of whom shall be independent of the organization. The board or its nominating committee will appoint committee members and the committee chair. The members should collectively possess sufficient knowledge of audit, finance, IT, the law, risk, and control.

Terms of Office

The term of office for an Audit Committee member is a term of <number (typically three to four)> years. Independent members of the committee should not serve more than two terms. To ensure continuity within the Audit Committee, the appointment of members should be staggered.

Meetings

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Information shall be provided to the audit committee at least one week prior to the meeting.

Minutes will be prepared in accordance with applicable law, regulation, policy or procedure, bylaw, or whatever is applicable.

The quorum for the audit committee shall be a majority of the members.

Operational Principles of the Audit Committee

The Audit Committee chair, in conjunction with senior management and the Chief Audit Executive, will establish a work plan to ensure that the responsibilities of the Audit Committee are scheduled and will be carried out.

The Audit Committee shall establish and communicate its information requirements. This shall include the nature, extent, and timing of such information requirements. Audit Committee members have an obligation to prepare for and participate in committee meetings.

It is the responsibility of an Audit Committee member to disclose a conflict of interest or the appearance of a conflict of interest to the committee. If there is any question as to whether Audit Committee member(s) should excuse themselves from a vote, the committee should vote to determine whether the member should excuse himself or herself.

Responsibilities

The committee will carry out the following responsibilities:

Financial Statements and external audit

• Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
• Review with management and the external auditors the results of the audit, including any difficulties encountered.
• Review the financial statements, and consider whether they are complete, consistent with information known to

3 It could be also supreme audit institution or other external reviewer defined by respective legislation.
committee members, and reflect appropriate accounting principles.

- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing Standards.

**Internal Control, Risk and Governance**

- Oversee the effectiveness of the organization’s internal control system and governance (incl. information technology security and control).

- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.

- Review and provide advice on the risk management arrangements established and maintained by management and the procedures in place to ensure that they are operating as intended (incl. the organization’s corporate risk profile).

- Review the effectiveness of the system for monitoring compliance with laws, regulations, organization’s code of conduct and ethical policies and the results of management’s investigation and follow-up (including disciplinary action) of any instances of noncompliance.

**Internal Audit**

- Review with management and the chief audit executive the charter, activities, staffing, and organizational structure of the internal audit function.

- Review and approve the risk-based annual audit plan and all major changes to the plan.

- Ensure there are no unjustified restrictions or limitations (including financial), and review and concur in the appointment, compensation, replacement, or dismissal of the chief audit executive.

- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors’ International Professional Practices Framework for Internal Auditing.

- Review internal audit results and track management’s action plans to address internal audit recommendations.

- Review the results of the independent external quality assurance review and monitor the implementation of the action plans to address recommendations raised.

- On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

**External Audit**

- Review the external auditors’ proposed audit scope and approach, including coordination of audit effort with internal audit.

- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.

- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organization, including non-audit services, and discussing the relationships with the auditors.

- Review and track management’s action plans to address external audit recommendations.

- On a regular basis, meet separately with the external auditors to discuss
Other Responsibilities

- Perform other activities related to this charter as requested by the board.

- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

- Confirm annually that all responsibilities outlined in this charter have been carried out.

- Evaluate the committee’s performance on a regular basis.

Accreditation

This sample charter was developed with use of the following sources:

- Global Public Sector Insights: INDEPENDENT AUDIT COMMITTEES IN PUBLIC SECTOR ORGANIZATIONS; June 2014, The Institute of Internal Auditors

- Making the most of the Internal Audit Functions: Recommendations for Directors and Board Committees, ECIIA, ecoDA a.s.b.l.