




The African Technology Policy Studies Network (ATPS)

# ATPS INTERNAL AUDIT CHARTER

## 2023



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This document formally defines the role, authority, responsibilities, and scope of internal auditing to provide independent assurance and improve the organization's operations.



# INTERNAL AUDIT CHARTER 2023

## **AFRICAN TECHNOLOGY POLICY STUDIES NETWORK (ATPS)**

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## **INTERNAL AUDIT CHARTER 2023**

### ***For the African Technology Policy Studies Network (ATPS)***

#### **1. Introduction**

This Internal Audit Charter provides a structured framework for the conduct and governance of Internal Audit within ATPS. It has been prepared in accordance with the Institute of Internal Auditors (IIA) guidelines, which provide that a charter should include: purpose, authority, responsibility and position of the internal audit within an organisation.

The primary aim of this charter is to define and establish:

- The role of the internal audit function
- A clear mandate to perform audit functions
- Objectives and scope of the internal audit function

#### **2. Definitions**

##### **a) Internal Audit**

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It supports the achievement of organizational objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditors have in depth understanding of the organization's processes, systems, culture. They therefore provide assurance to the Executive Director and the Board that governance processes are effective and internal controls are adequate to mitigate risks.

##### **b) Internal Control**

Is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

Internal control consists of five interrelated components as follows:

- Control (or operating) environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

##### **c) Management**

The collective body of those who have the authority and responsibility to make decisions in order to manage or direct the various operations and business processes of the organization.

##### **d) Employee**

Any person employed in the organization as a researcher, accountant, officer, classified employee, part-time or wage employee, paid intern, work/study employee, or any other person paid through the organization's payroll process.

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### **3. Purpose**

The purpose of the Internal Audit Charter is to formally define the role, responsibilities, authority, and accountability of the Internal Audit function within the ATPS. The Internal Audit function exists to provide independent and objective assurance and advisory services designed to add value, strengthen internal controls, improve operations, and promote good governance in support of the organization's mission.

### **4. Applicability**

The Internal Audit Charter applies to all organization employees, departments, and activities.

### **5. Mission of Internal Audit**

The mission of the Internal Audit function is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. In addition, it aims to help the ATPS accomplish its objectives by bringing a systematic and disciplined approach to assess and improve the effectiveness of risk management, control and governance processes. This mission is anchored on core values, goals and objectives:

#### **i. Core Values**

- People – Hire and train the best people for the job
- Technology – Employ up to date and latest technological tools and techniques as needed
- Customer Service – Deliver above average stakeholder satisfaction
- Value Addition – Initiate activities which lead to demonstratable and quantifiable cost savings and efficiencies
- Control Environment – Create and promote an organizational wide control system and consciousness which ensures integrity and ethics in the operating environment.

#### **ii. Goals and Strategies**

- Develop and annual audit plan
- Support organizational process improvement initiatives
- Perform scheduled audits
- Report audit results to the management
- Perform follow up reviews of audit recommendations

### **6. Independence and Objectivity**

Internal Audit function shall operate independently of all other functions. This means that the internal auditor is impartial, unbiased and shall avoid any conflict of interest.

#### **a) Independence**

Independence refers to freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.

#### **b) Objectivity**

Objectivity refers to the unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that the internal auditor shall not subordinate their judgment on audit matters to others.

#### **o Clarified Safeguards:**

The organization has instituted safeguards, detailed in the ATPS Administrative Manual, which include:  
Reporting Relationships

- Segregation of duties
- Restriction on responsibilities
- Remuneration structure
- Measures to avoid conflict of interests

Objectivity ultimately depends on the professional integrity and due care exercised by the internal auditor.

In the ATPS context, the Supervisory review of the auditor's test work shall be done by the Executive Director or an assigned reviewer to ensure objectivity and quality.

## **7. Authority**

To fulfil its responsibilities, the Internal Audit function is authorized to:

- Have full, free, and unrestricted access to all functions, records, property, and staff pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, select subjects, determine scopes of work, apply techniques required to accomplish engagement objectives, and issue reports.
- Set audit frequencies as may be necessary
- Obtain assistance from the organization's staff
- Seek specialized services/ independent professional advice from outside the entity in order to complete the engagement.
- Remain independent and have no direct operational responsibility or authority over the activities they are auditing. This separation is critical for maintaining an unbiased perspective and objectivity.

## **8. Scope of Work & Responsibilities**

### **a) Scope of Work**

The Internal Audit function shall evaluate and contribute to the improvement of ATPS governance, risk management, and internal control processes across all activities, employees, and assets.

### **b) Assurance Responsibilities**

The scope includes assessment of:

- Risks associated with the achievement of the organization's strategic objectives to properly identify and manage them.
- Actions of the organization's staff to ensure that the actions align with the set policies, procedures, applicable laws, regulations and governance standards.
- Programs and operations are conducted effectively, efficiently, ethically and equitably
- The integrity of information and means used to identify, measure, analyse, classify and report such information is reliable
- Resources, assets and things pertaining to the ATPS are acquired economically, utilized efficiently and sustainably, protected sufficiently.
- Policies and systems put in place enable compliance with policies, procedures, laws and regulations that could significantly affect the organization
- The outcomes of operations and programs are consistent with established goals and objectives.

### **c) The internal auditor Responsibilities**

- Develop a flexible risk-based annual audit plan, considering the input of senior management. The plan will be discussed with senior management/Executive Director for review and approval.
- Implement the annual audit plan and follow it to the extent of possible while evaluating and adjusting it as necessary in response to the changes in the working environment such as business risks, programs, systems etc.
- Communicate with the management the impact of resource limitations on the internal audit plan or if there are significant interim variations of the internal audit plan.
- See to it that the internal audit engagements are performed, documented and communicated in accordance with accepted internal audit standards. This includes communication on significant issues and potential improvements to processes.
- Follow up with management to ensure that recommendations and corrective actions are taken on findings.
- Perform special studies, reviews or investigations as requested by management
- Perform consulting and advisory services related to governance, risk management, internal controls, or other areas of interest or concern.
- Conduct investigations of fraud, waste and abuse and relay the results to the management
- Identify and consider trends and emerging issues that could impact the organization and communicate the same to the management in a timely manner.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services as appropriate.
- Ensure the coordination and collaboration with external audit

### **d) Crisis Situations**

During a crisis situation, the internal auditor shall focus on updating the risk assessment and risk-based audit plan based considering the situation, focusing on new or updated processes with higher risk profiles.

- Audit Methodology during a crisis situation  
The internal auditor shall devise a methodology to continue to provide its service under crisis scenarios emphasizing an agile audit approach and virtual auditing by leveraging technology. The expectations and relationship with management shall be improved by creating more contact and alignment moments and increasing the involvement of team members within the audit team.
- Safety and wellbeing of staff  
Service delivery shall be performed in compliance with organization's safeguarding and other core policies ensuring safety, security and wellbeing of the internal audit staff and other staff.
- Provide insights on crisis management  
During crisis, the Department shall provide real time advisory services to management and insights to the management over the recovery efforts and situation specific responsive activities of the organisation.

#### **e) Internal Controls**

The reviews and evaluations of internal controls shall be conducted by the internal auditor but the ATPS Management retains the overall responsibility for establishing and maintaining effective controls.

### **9. Reporting**

The internal auditor shall functionally and administratively report to the Executive Director, who is also responsible for performance appraisal and remuneration of the internal auditor. The internal auditor shall also disclose to the Executive Director any interference related to the internal audit scope, performance, and communication of internal audit work and results. The disclosures will include interference on the internal audit function's effectiveness and ability to fulfil its mandate.

### **10. Audit Planning**

At least annually, the Internal Auditor will submit to senior management and the Board an internal audit plan for review and approval. The annual audit plan shall deal with aspects relating to the organization's core process leading to the production of the audit reports. It shall therefore be based on:

- Assessment of constraints
- Activity plans for regularity and performance audits
- Risks assessment in place for prioritizing audit risk
- Clear statement of audit coverage
- Addressing backlogs

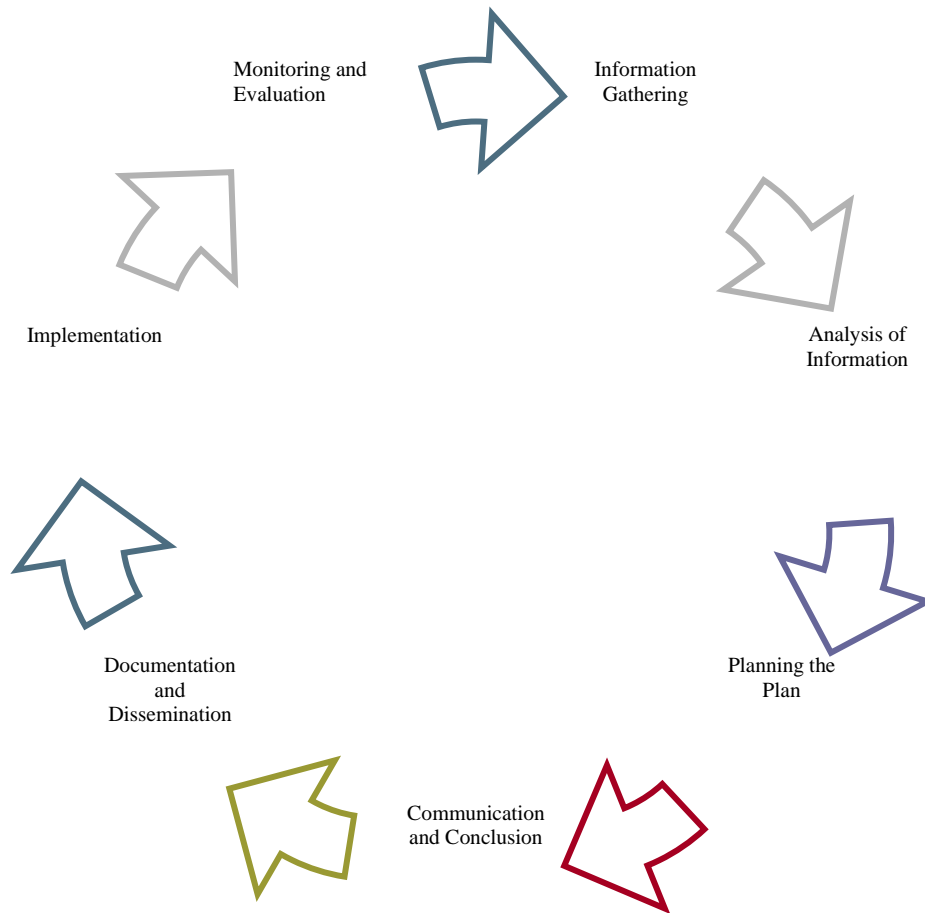
The overall audit plan shall make reference to the following audit areas:

- Focus areas such as procurement, forensic, or investigative
- Special audits that may be based on requests from the management, Board of Directors, donors or other relevant stakeholders as law allows.

The Audit plan shall also incorporate the following:

- Regularity audits – this will include which audits will be conducted during the year
- Special Audits – which ones are planned for, and information on the reasons for selection
- IT Audits – planned for the year unless otherwise included in a separate plan
- Quality Assurance Reviews
- Allocation of audits to departments or sections
- Annexures, where found necessary, to incorporate further information such as the risk matrix

### Seven audit-planning steps:



### 11. Review of the Charter

This Charter shall be reviewed at least annually by the Internal Auditor in consultation with the Executive Director, and any amendment must be approved by the Board of Directors.

Circumstances that may require earlier review of the charter include:

- Significant changes in the global internal audit standards
- Major organisational restructuring
- New laws or regulations that may affect the scope of the internal audit.
- Significant changes in the organisation's strategies, objectives, risk profile, or operating environment.



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The African Technology Policy Studies Network (ATPS) is a transdisciplinary network of researchers, policymakers, private sector actors and the civil society promoting the generation, dissemination, use and mastery of Science, Technology and Innovations (STI) for African development, environmental sustainability and global inclusion. In collaboration with like-minded institutions, ATPS provides platforms for regional and international research and knowledge sharing in order to build Africa's capabilities in STI policy research, policymaking and implementation for sustainable development.