

Part III: DFAIT INTERNAL AUDIT POLICY

Note: This policy must be read in conjunction with the Review policy.

INTRODUCTION

The Review Policy establishes the general requirements for conducting all types of reviews, including internal audit. This Internal Audit policy sets out the specific policy requirements for internal audit. The purpose of the policy is to define the Internal Audit Function and reinforce its mandate in the department. Policy implementation will be achieved through the effective and visible support of senior management and the Departmental Audit and Evaluation Committee (DAEC).

Substantial changes in government programs and operations are occurring continuously to deal with the pressing demands of the Canadian public and the difficult fiscal situation. More than ever, managers need to know whether their management framework is appropriate and how well departmental activities are carried out, particularly in areas of significant risks.

Senior managers may rely on auditors to provide them with assurances on the performance of the management framework, i.e., on the cost-effectiveness of the systems, practices and built-in controls adopted by management to achieve established objectives. Thus, it is important that the auditors remain independent of the activities they audit in order to perform their work freely and provide objective and credible information, in serving the corporate needs of the department.

Departmental internal auditors must be attuned to senior managers' priorities and concerns, focusing on the provision of timely and relevant information that meets their needs. Auditors have taken on an important role in promoting an environment conducive to better management, integrity, innovation, quality of service and cost-effectiveness of program delivery activities and internal operations. They have adopted a participative and prospective-oriented approach. This involves advising managers on developing policies and systems, managing risks and establishing essential controls at reasonable cost. Senior management should expect internal audit to act as a catalyst for sharing good management practices, as a source of innovative ideas and as a training opportunity for potential leaders.

The Internal Audit policy and standards are designed to guide auditors in their professional practice, and assist departmental senior management in the use of internal auditing. They also provide the department with a basis for carrying out self-assessment and improving quality of services. As well, they provide external stakeholders with a basis for relying on the work of internal auditors and, laterally, on the assertions of program managers as to performance, to the degree that they have been attested by internal auditors.