



## INTERNAL AUDIT POLICY

### **Authority**

Town Charter, Article I, Section I

Article I establishes the Board of Estimate and Taxation's (BET) powers and duties, and vests the responsibility for the proper administration of the financial affairs of the Town with the BET.

### **Policy**

Audit projects will be selected by the Comptroller and head of internal audit and then will be submitted for approval to the Audit Committee of the BET for their review. The Audit Committee and/or the BET may also incorporate into the internal audit plan, areas that they consider warrant review.

Internal audit projects shall conform to the professional standards of auditing (Generally Accepted Auditing Standards – G.A.A.S.)

### **Procedures**

Internal audit projects shall be undertaken by the internal audit staff after first addressing the audit plan.

In developing an internal audit plan, the relative cost savings, efficiencies, and risk or exposure for each area should be assessed. The internal audit plan should be based upon the relative priority of each of these audit areas. Factors should include: known quality of internal controls, identified potential problem areas, level of activity and public implications, and visibility. An updated plan should be developed annually, preferably to coincide with the Town's fiscal year. Once completed, the plan document should be submitted to the Comptroller for input. Subsequent to the Comptroller's input, the plan should be submitted to the audit Committee for review and approval.

Upon completion of each internal audit project, a draft report on the departmental procedures, results, and recommendations, including executive summary and findings, shall be completed, and shall be submitted to the department head for review. Following receipt of the response from the audited department, Internal Audit shall make appropriate changes to the draft report.

Where there are recommendations, Internal Audit, together with the department head or his designees, shall produce a plan of action for implementation of the recommendations. After the review process has been completed, a final report, with attached responses, shall be submitted to the Audit Committee of the BET. Following acceptance, the report shall be submitted to the BET. Progress reports shall follow.

### **Background**

Internal audit is an important tool of management by which the Town of Greenwich maintains the integrity, efficiency and effectiveness of financial and control systems. Although Internal Audit is an integral part of the organization, to maintain objectivity, it functions independently of all departments.