

GOVERNMENT OF ALBERTA

INTERNAL AUDIT COMMITTEE CHARTER

1. Purpose

The Internal Audit Committee (“Committee”) is to provide oversight on the operations of the Office of the Chief Internal Auditor (“Office”) and is chaired by the Deputy Minister, Executive Council (the “DMEC”). The Committee shall be satisfied that:

- The Office meets the Standards For Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.
- The Office is operating in accordance with the Internal Audit Charter (the “Charter”).
- That the Charter is appropriate and provides sufficient direction to the Chief Internal Auditor (“CIA”) on the scope and nature of activities expected of his Office.
- That the CIA’s performance is satisfactory.

The Committee shall also:

- Assist in promoting the principles of sound internal control, code of conduct, appropriate business practices, compliance with stated government policies, and laws and regulations.
- Support and promote the use of the Office for assurance and advisory services as laid out in the Charter.
- Review this Internal Audit Committee Charter and the Internal Audit Charter periodically
- Receive the Chair’s assessment of the Committee’s performance.

The Audit Committee will devote a portion of each of its meetings to a session with only committee members and the CIA present.

2. Committee Composition

- The DMEC shall chair the Committee and set the agenda.
- The Chair shall appoint the Committee members.
- The Committee members shall consist of the Deputy Ministers appointed to this committee and any appointed external persons deemed by the Chair to be necessary to provide an external viewpoint or specialist business, financial or audit expertise.
- The Audit Committee shall consist of not more than nine members and the Chair.
- One of the members must be audit literate.
- Members may attend in person or via teleconference

- Substitutions will not be allowed.

3. Meetings

- The Committee shall meet at least 2 times annually.
- The Chair shall call the meetings.
- The CIA shall attend Committee meetings.
- The Chair may invite the Auditor General and other persons.
- The CIA's annual budget, annual audit plan and reports shall be discussed by the Committee
- The Chair, at his discretion may ask the Committee to discuss other plans, initiatives and reports.
- The Committee may meet "in camera" to discuss any matters that the Committee believes should be discussed privately

4. Authority and Scope

The Committee shall:

- Have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have unrestricted access to members of management and relevant information.
- The Committee may retain independent counsel, accountants or others to assist it in the conduct of any investigation.
- Report any matters to the Deputy Ministers' Committee annually, or more often as the Committee may deem appropriate.
- Review annually and update the Committee's formal charter.
- Review the CIA's annual audit plan and annual budget.
- Meet with the Auditor General to identify and discuss any planned audit work that duplicates effort and provide the Auditor General with an opportunity to discuss matters of mutual interest or concern.
- Review the reports of the CIA presented to the Committee.
- Review the responses of management to the CIA's recommendations and monitor the adequacy of management's subsequent actions.
- Inquire about any restrictions or other difficulties encountered during the course of any audits such as access to information or the cooperation of staff.
- Provide any advice to the CIA on any matters the Committee becomes aware of or to improve the internal audit function.
- Report any matters to the Treasury Board annually, or more often as the Committee may deem appropriate.

The Chair shall at his discretion:

- Approve the Audit Committee Charter.
- Approve the Internal Audit Charter
- Approve the CIA's budget and audit plan
- Approve any decision of the Internal Audit Committee.

APPROVED

Signature

Chairman of the Audit Committee and Deputy Minister – Executive Council

Date