

# **Gippsland Ports**

## **Expression of Interest – Internal Audit**

### **Terms of Reference**

#### **Purpose**

To provide the Board, through the Audit & Risk Committee, with an independent, objective assurance and consulting service designed to add value and improve Gippsland Ports' operations. To assist Gippsland Ports to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

#### **Scope of Work**

The scope of Internal Audit covers all the financial and other management control systems, identified for internal audit by the Audit & Risk Committee. This includes all of Gippsland Ports' operations, resources, staff, services and responsibilities to other bodies. It is projected that approximately 3 internal audit projects will be conducted annually.

The scope includes review of controls that mitigate Gippsland Ports risk exposure in its dealings with other organisations and agencies such as Local, State and Federal Government.

#### **Objectives**

Internal Audit employs a risk-based systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes by assessing the:

- identification, evaluation and management of business risks;
- soundness, adequacy and application of the internal control systems;
- reliability and integrity of financial and operational information;
- safeguarding of assets from fraud, irregularity or corruption, and
- compliance with laws, regulations, contracts and established policies, procedures and good practice.

*The Internal Auditor is responsible for:*

- assisting development of the short-term and long-term audit strategy with the Audit & Risk Committee;
- assisting with the development of a risk-based annual audit plan with the Audit & Risk Committee;
- carrying out the agreed work in line with appropriate professional standards;
- providing assurances, opinions and making recommendations to improve processes and systems where appropriate;
- reporting to the Audit & Risk Committee and the Board any significant business risks, significant control weaknesses, and significant fraud or other major control breakdown;
- complying with requests for information from the Audit & Risk Committee;
- helping to keep the Audit & Risk Committee informed of better practice;
- conducting audit close out meetings; and
- attending A&RC meetings to present audit reports and plans.

The Internal Auditor may conduct any special reviews or consulting activities requested by the Audit & Risk Committee, provided such work does not compromise its objectivity or independence.

#### **Independence**

To ensure independence and objectivity, the Internal Auditor will not assume any management responsibility for development, implementation or operation of systems, however the auditor can offer consulting services of an advisory nature.

The Internal Auditor Principal reports functionally to the Audit & Risk Committee; and has direct access to the Board Chair if needed.

**Accountability**

The Internal Auditor is accountable to the Board through the Audit & Risk Committee for the performance of the Internal Audit service.

The Internal Auditor Principal will provide a draft report of audit findings via the Risk & Compliance Manager for management comment, prior to issuing a final report to the Audit & Risk Committee identifying the key issues, risk ratings, recommendations and management comment.

Internal Audit will also report the feedback of auditees to the Audit Committee where relevant.

**Professional Standards**

Internal Auditors follow professional standards set by the Institute of Internal Auditors as well as Codes of Professional Practice and Codes of Ethics as stipulated by their individual Professional affiliations.

**General**

The successful organisation will be involved in developing short-term and longer-term audit strategies, including identifying annual work plans, in conjunction with the Risk and Compliance Manager. The appointed internal auditor will then be requested to quote the hours required to perform the work (provided the project is within skills and experience sets) and any travel expenses to identify the budget requirement. Depending on the quantum of total costs and available budget, the appointed internal auditor will be contracted to perform the work on a project by project basis.

**Term of Appointment**

The term of the appointment will be three years commencing with the 2025/26 financial year. A two-year extension will be considered during the three-year tenure with reference to audit performance.

**Requirements of Expression of Interest**

Expression of Interest must include the following details:

- Financials – fixed annual cost, hourly cost rate.
- Staffing - nominated staff, qualifications and experience, including who will perform the role of the Principal Internal Auditor.
- References - details of 3 relevant organisation/s with contact details
- Methodology - provide an overview outlining the methodology to undertake the engagement