



WA Country Health Service Audit Policy

1. Background

The WA Country Health Service (WACHS) is committed to the development and maintenance of an efficient and effective internal audit function, as required by section 53(1) of the [Financial Management Act 2006](#) (FMA) and Treasurer's Instructions (TI) Part XII - Internal Audit.

Part XII of the TI from which the WACHS Audit function derives its authority, provides the basic requirements for an effective internal audit function as defined in accordance with the [International Standards for the Professional Practice of Internal Auditing](#), as modified by the FMA and TI:

- Internal audit function (TI I201)
- Conduct of audits and consultancy (TI 1202).

The WA Health [Risk, Compliance and Audit Policy Framework](#) sets the WA Health context for compliance, risk and audit activities across the WA health system including setting out responsibilities of Boards and Chief Executives for Internal Audit within WA Health Service Providers.

2. Policy Statement

- The WACHS Audit Policy in accordance with the [WACHS Internal Audit Charter](#), provides the framework for the conduct of the WACHS audit function in providing independent, objective assurance and consulting activities guided by a philosophy of adding value to improve the operations of WACHS to the Board, Audit and Risk Committee, the Chief Executive (CE) and to the Executive.
- The WACHS Audit Charter provides the framework for the conduct of the internal audit function in WACHS and has been approved by the WACHS Board Chair, on endorsement of the Audit and Risk Committee.
- The WACHS Audit function can provide advice by assisting in identifying risk and working with the organisation to improve control and governance but is not responsible for implementing risk mitigation strategies or performing control functions.
- Audit activities are risk based and client focused. Audits can involve all significant business processes, functions and organisational units and WACHS auditors work with all levels of management to identify and assess risk, control and governance issues.
- Audit activities are supported by management. Through the WACHS Board, the organisation is committed to maintaining an effective audit function and will provide sufficient resources to enable it to effectively carry out its mission and objectives in functioning as an integral component of the WACHS governance structure.

- In appropriately exercising its functions, the WACHS Audit function, with strict accountability for confidentiality and safeguarding records and information, is authorised complete and timely (at all reasonable times) access to:
 - all public money, other money and statutory authority money
 - public property and other property
 - accounts, information, documentation and records of WACHS.
- The WACHS Audit function will work in partnership with functional areas and management to promote a strong governance, accountability and risk management environment. Advisory services will support proactive partnership. Key stakeholders and decision makers are included in audit activities in an appropriate and timely manner. Effective communication should ensure that there are ‘no surprises’ at the conclusion of an audit.
- The WACHS Audit function, through its own practices and actions, will promote and contribute to continuous improvement. Internal audit activities will be conducted in accordance with intent of the [International Professional Practices Framework \(IPPF\)](#) issued by the Institute of Internal Auditors (IIA).
- WACHS Audit function will provide co-ordination services for all external audits conducted by or on behalf of an oversighting body.

3. Definitions

Assurance	A process that provides a level of confidence that objectives will be achieved within an acceptable level of risk.
Executive and Management positions	An employee who is responsible for or has authority for a discrete region or area within WACHS.
Audit	An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness or risk management, control and governance processes. Audits may be either an Internal Audit or External Audit.
Internal Audit	An audit undertaken by WACHS Audit resources or contracted out to suitably skilled auditors.
External Audit	Audits conducted by or on behalf of an oversighting body (i.e., the Office of the Auditor General, Public Sector Commission, etc.) and the WA Health System Manager.

4. Roles and Responsibilities

The accountability and responsibility for developing, implementing and maintaining this policy are defined as follows:

4.1 WACHS Board

The Board is responsible for:

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- overseeing the WACHS Audit Policy and ensuring it is sound
- ensuring that the objectives, independence, accountability, reporting arrangements, and role of the WACHS Audit function are defined in a charter (Audit Charter)
- approving the internal audit plans (Strategic and Annual)
- ensuring that WACHS has an internal Audit and Risk Committee which is independently chaired by a suitably qualified person who is not employed within the agency.
- providing assurance to the Department of Health CEO through an annual attestation statement of internal audit compliance, as determined by WA Health policy requirements.

4.2 WACHS Audit and Risk Committee

The Audit and Risk Committee (ARC) is responsible to the WACHS Board for the review and oversight of the internal audit function by:

- making recommendations to the Board on the:
 - Internal Audit Charter
 - Strategic Audit Plan
 - Annual Audit Plan
- ensuring that this policy is approved and implemented
- ensuring that this policy is established and operating effectively
- ensuring the continuing relevance of this policy and the currency of its content
- ensuring that appropriate remedial action is taken if there is a compliance breach.

4.3 WACHS Chief Executive (CE)

The CE is accountable for the implementation of this policy and is responsible for:

- endorsing this policy and presenting it to the ARC for further endorsement for Board approval
- approving any procedures that enable this policy
- ensuring that people affected by this policy are aware of their responsibilities
- ensuring the approved and current version of this policy is available to all staff
- ensuring risk compliance monitoring mechanisms are in place
- ensuring non-compliance is identified and reported
- ensuring that appropriate remedial action is identified and implemented if there is a compliance breach
- ensuring sufficient resource is applied to the management of risks.

4.4 WACHS Manager Audit/Chief Audit Executive

The Manager Audit/CAE is responsible for:

- developing, reviewing and recommending revisions to this policy
- monitoring the continuing relevance of this policy and the currency of its content

- developing, issuing and maintaining procedures that enable this policy, are in line with TI Part XII - Internal Audit and are aligned to the IPPF, as modified by the FMA and TI
- ensuring compliance with this policy and any related procedures
- providing guidance to the business on their responsibilities to implement and enable this policy
- identifying and communicating risks of non-compliance to the Executive and ARC
- identifying appropriate remedial action to compliance breaches
- ensuring that appropriate remedial action is taken if there is a compliance breach.

4.5 WACHS Executive Sponsor for Audit

The identified Executive Sponsor for an audit is responsible for the overall coordination of the audit at the operational level, including:

- attending key audit meetings
- negotiation and confirmation of Responsible Executive, for recommendations
- the provision and endorsement of management responses to each of the recommendations of the Draft Audit Report

4.6 WACHS Responsible Executive and Management

The Responsible Executive and Management positions are responsible for:

- implementing mechanisms within their respective areas of responsibility and authority to ensure compliance with this policy and any related guidelines and procedures
- ensuring that management actions to address audit findings are completed within the agreed completion dates
- ensuring that all employees within their areas of responsibility comply with this policy and any related guidelines and procedures
- identifying and communicating threats of non-compliance to the Manager Audit
- implementing appropriate remedial action if there is a compliance breach.

4.7 All employees

All employees are responsible for:

- complying to this policy and any relevant procedures
- on a timely basis, furnishing internal audit with information, advice or explanation on such matters as may be requested, and shall render any assistance necessary for audit purposes.

5. Compliance

This policy is mandatory requirement under TI Part XII – Internal Audit, issued under section 53 of the [Financial Management Act 2006](#).

Failure to comply with this policy may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Integrity Policy Framework](#) issued pursuant to

section 26 of the [Health Services Act 2016](#) (WA) and is binding on all WACHS staff which for this purpose includes trainees, students, volunteers, researchers, contractors for service (including all visiting health professionals and agency staff) and persons delivering training or education within WACHS.

WACHS staff are reminded that compliance with all policies is mandatory.

6. Records Management

All WACHS corporate records must be stored in the approved Electronic Documents and Records Management System. [Records Management Policy](#)

Audit working papers are to be managed as defined in the WACHS Internal Audit Work-papers Protocol.

7. Evaluation

This policy is to be reviewed every five years or earlier, if required by the Manager Audit.

Evaluation is to address evidence of:

- meeting compliance with the Treasurers Instruction Part XII – Internal Audit
- WACHS Audit Quality Assurance Improvement Program outcome measures

8. Standards

Institute of Internal Auditors' (IIA) [International Standards for the Professional Practice of Internal Auditing](#)

[National Safety and Quality Health Service Standards](#) - 1.08

9. Legislation

[Health Services Act 2016](#)

[Financial Management Act 2006](#) - Treasurer's Instruction Part XII – Internal Audit, issued under section 78 of the Financial Management Act 2006.

10. References

IIA [International Professional Practices Framework \(IPPF\)](#)

[EQuIP National Standards \(Corporate\)](#) - 15.8.1

11. Related Forms

N/A

12. Related Policy Documents

[WACHS Internal Audit Charter](#)

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13. Related WA Health System Policies

N/A

14. Policy Framework

[Risk, Compliance and Audit Policy Framework](#)

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