

<b>D7: COMPLIANCE WITH LAWS AND REGULATIONS</b>	
<b>Purpose: The tool is used to assess Internal Audit Function compliance with laws and regulations for the assessment report.</b>	
Assessor's notes: Complete this form for a full external assessment and a self-assessment with independent external validation. This form may be completed as a component of a periodic internal assessment.	
Entity Name:	[enter entity name]
Date Prepared:	[enter your date]
Prepared By:	[enter your preparer]
Reviewed By:	[enter your reviewer]

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
1.	Public Finance Management (PFM) ACT, 2012	Sec. 73 (1)	National government entity to have Internal Audit function			
		Sec. 73(3)	Conducting various types of Audits			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
		Sec. 73(4)	Internal audits to be conducted in accordance with international best practices for internal auditing.			
		Sec. 73(5)	Establish Internal audit Committee as per PFM Regulations			
2.	National Government PFM Regulations, 2015	Reg. 161	Internal auditors comply with the IPPF as issued by the Institute of Internal Auditors and conducts audits in accordance with policies and guidelines issued by the PSASB			
		Reg. 162(1)	HIA reports administratively to the Accounting Officer and			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			functionally to the Audit Committee			
		Reg. 162(3)	Unrestricted, direct and prompt access to all records, officials or personnel holding any contractual status and to all the premises and properties of the entity			
		Reg. 161	Compliance with professional standards and code of ethics			
		Reg. 162(4)	Internal auditors respect the confidential nature of information and shall use such information with discretion and only in so far as it is relevant to reach an audit opinion			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
		162(5)	All internal audit activities are free of influence by any element in the entity, including matters of audit selection, scope, procedures, frequency, timing, or report content			
		Reg. 162(6)	Internal Auditors have no direct operational responsibility or authority over any of the activities they review			
		Reg. 163	Internal Auditor General Department			
		Reg. 164	Internal Auditor General undertakes the following functions;  a) Advising the Cabinet Secretary and the			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			Principal Secretary on emerging issues in internal auditing; b) Developing and implementing the use of innovative approaches in performing independent assessment of systems, controls and efficiencies guided by professional standards; c) Supporting the entities efforts to achieve their objectives; d) Promoting national government-wide risk management and provide the management with consulting services to improve the overall national government operations; e) Providing capacity building for both levels of governments including developing curriculum, training materials and			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			undertake training for audit committees; and f) reporting annually to the National Treasury on the internal audit function performance.			
		Reg. 166(1)	HIA assesses the effectiveness of the internal audit function through an internal performance appraisal and carries out annual review of the performance of the internal audit function commenting on its effectiveness in the annual report to National Treasury.			
		Reg. 166(2)	Audit Committee carries out annual review of the independence,			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			performance and competency of the internal audit unit and comments on its effectiveness in the annual report			
		Reg. 166(3)	At least once every three years, but not more than five years, internal audit unit undergoes a professional assessment of its effectiveness undertaken by a professionally recognized body or institution.			
		167(1)	When indications of fraud, material breaches and wasteful expenditure have been identified the head of			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			the internal audit unit immediately notifies the Cabinet secretary.			
		Reg. 168	An internal auditors do not perform audit assignments for providing assurance relating to activities and structures on which he or she has provided consulting services or in which he or she had been employed over in the last twenty four months.			
		Reg. 174	Formation of Audit committee as per the guidelines			
		Reg. 170(1)	Three-year Strategic Plan			
		Reg. 170(1)	Risk-Based Annual Audit Plan			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
		Reg. 170(2(a))	The annual work plan is submitted to the audit committee by 15 <sup>th</sup> February each financial year			
		Reg. 170(2(b))	The annual audit work plan is approved by the audit committee and shared with the Accounting Officer of that entity, in sufficient time for inclusion in the budget of that entity.			
		Reg. 171(1)	Prompt communication of Audit Results			
		Reg. 171(2)	The final audit report, including the actions taken by the accounting officer is reported to the audit committee in a format to be			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			gazetted by the Cabinet Secretary			
		Reg. 171(3(b))	The internal auditor discusses the findings, conclusions and recommendations with the auditee.			
		Reg. 171(3(c))	The internal auditor issues a signed written report after each internal audit assignment that is objective, clear, concise and timely			
		Reg. 171(3(d))	The signed engagement report clearly presents the purpose, scope and results of the audit			
		Reg. 171(3(e))	The internal auditor gives reports with recommendations for			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			potential improvement, suggestions of corrective actions and acknowledgement of satisfactory performance			
		Reg. 172(1)	The Accounting Officer develops response and action plan which is submitted to the chairperson of the audit committee within fourteen days after a final internal audit report is issued			
		Reg. 172(2)	Follow-up of the Action Plan is made to ensure its implementation			
		Reg. 173(1)	HIA prepares a quarterly internal audit report which			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			covers areas provided for in guidelines and is in a format issued by the Cabinet Secretary.			
		Reg. 173(2)	The quarterly report is submitted within 14 days of the end of the quarter to the Accounting Officer of the concerned entity, the Audit Committee and the National Treasury.			
		Reg. 173(3)	Internal Auditor General prepares for National Government the annual report that consolidates the quarterly audit assurance reports prepared by all internal audit unit in National			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			Government entities, in accordance with formats prescribed by PSASB			
3.	Public Audit Act, 2015	Sec. 33(2)	Provision of Internal Audit reports to the Auditor General			

**County Government Entity**

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
1.		Sec. 155	County to have Internal Auditing function			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
	Public Finance Management (PFM) ACT, 2012	Sec. 155(3)	Conducting various types of Audits			
		Sec. 155(4)	Internal audits to be conducted in accordance with international best practices for internal auditing.			
		Sec. 155(5)	Establish Internal audit Committee as per PFM Regulations			
2.	County Government PFM Regulations, 2015	Reg. 154	Internal auditors comply with the IPPF as issued by the Institute of Internal Auditors and conducts audits in accordance with policies and guidelines issued by the PSASB			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
		Reg. 155(1)	HIA reports administratively to the Accounting Officer and functionally to the Audit Committee			
		Reg. 155(3)	Unrestricted, direct and prompt access to all records, officials or personnel holding any contractual status and to all the premises and properties of the entity			
		Reg. 154	Compliance with professional standards and code of ethics			
		Reg. 155(4)	Internal auditors respect the confidential nature of information and shall use such information with discretion and only in so far as			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			it is relevant to reach an audit opinion			
		155(5)	All internal audit activities are free of influence by any element in the entity, including matters of audit selection, scope, procedures, frequency, timing, or report content			
		Reg. 155(6)	Internal Auditors have no direct operational responsibility or authority over any of the activities they review			
		Reg. 156	Internal audit is a Unit at the County Treasury			
		Reg. 157	HIA undertakes the following functions;			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			<p>a) Advising the County Executive Committee Member and the Chief Officer on emerging issues in internal auditing</p> <p>b) Developing and implementing the use of innovative approaches in performing independent assessment of systems, controls and efficiencies guided by professional standards;</p> <p>c) Promoting county government-wide risk management and provide the management with consulting services to improve the overall</p>			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			<p>county government operations</p> <p>d) Providing capacity building for county government entities including developing curriculum, training materials and undertake training for audit committees; and</p> <p>e) Reporting annually to the County Treasury on the internal audit function performance.</p>			
		Reg. 159(1)	HIA assesses the effectiveness of the internal audit function through an internal performance appraisal and carries out annual review of			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			the performance of the internal audit function commenting on its effectiveness in the annual report to County Treasury.			
		Reg. 159(2)	Audit Committee carries out annual review of the independence, performance and competency of the internal audit unit and comments on its effectiveness in the annual report			
		Reg. 159(3)	At least once every three years, but not more than five years, internal audit unit undergoes a professional assessment of its			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			effectiveness undertaken by a professionally recognized body or institution.			
		160(1)	When indications of fraud, material breaches and wasteful expenditure have been identified the head of the internal audit unit immediately notifies the County Executive Committee Member			
		Reg. 161	An internal auditors do not perform audit assignments for providing assurance relating to activities and structures on which he or she has provided consulting services or in			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			which he or she had been employed over in the last twenty four months			
		Reg. 167	Formation of Audit committee as per the guidelines			
		Reg. 163(1)	Three-year Strategic Plan			
		Reg. 163(1)	Risk-Based Annual Audit Plan			
		Reg. 163(2(a))	The annual work plan is submitted to the audit committee by 15 <sup>th</sup> February each financial year			
		Reg. 163(2(b))	The annual audit work plan is approved by the audit committee and shared with the Accounting Officer of that entity, in sufficient time			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			for inclusion in the budget of that entity.			
		Reg. 164(1)	Prompt communication of Audit Results			
		Reg. 164(2)	The final audit report, including the actions taken by the accounting officer is reported to the audit committee in a format to be gazetted by the Cabinet Secretary			
		Reg. 164(3(b))	The internal auditor discusses the findings, conclusions and recommendations with the auditee			
		Reg. 164(3(c))	The internal auditor issues a signed written report after each internal audit			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			assignment that is objective, clear, concise and timely			
		Reg. 164(3(d))	The signed engagement report clearly presents the purpose, scope and results of the audit			
		Reg. 164(3(e))	The internal auditor gives reports with recommendations for potential improvement, suggestions of corrective actions and acknowledgement of satisfactory performance			
		Reg. 165(1)	The Accounting Officer develops response and action plan which			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			Is submitted to the chairperson of the audit committee within fourteen days after a final internal audit report is issued			
		Reg. 165(2)	Follow-up of the Action Plan is made to ensure its implementation			
		Reg. 166(1)	HIA prepares a quarterly internal audit report which covers areas provided for in guidelines and is in a format issued by the Cabinet Secretary			
		Reg. 166(2)	The quarterly report is submitted within 14 days of the end of the quarter to the Accounting Officer of the			

Public Sector QAIP Guidelines for the Internal Audit Function

No.	Law/Regulation	Provisions to be complied with		Complied	Not Complied	Remarks
		Sec./ Reg.	Description			
			concerned entity, the Audit Committee and the County Treasury			
		Reg. 166(3)	HIA prepares for the county government an annual report that consolidates the quarterly audit assurance reports prepared by all internal audit units in county government entities, in accordance with formats prescribed by PSASB			
3.	Public Audit Act, 2015	Sec. 33(2)	Provision of Internal Audit reports to the Auditor General			