

**PUBLIC FINANCE MANAGEMENT (INTERNAL
AUDIT) REGULATIONS 2020**

SAMOA

Arrangement of Provisions

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PURSUANT to section 126 of the Public Finance Management Act 2001 ("Act"), I, **TUIMALEALIIFANO VAALETOA SUALAUVI II**, Head of State, acting on the advice of Cabinet, **MAKE** these Regulations –

DATED this*3rd*..... day of.....*MARCH*.....2020.

Tuimalialiifano Vaaletoa Sualauvi II
.....
(Tuimalialiifano Vaaletoa Sualauvi II)
HEAD OF STATE

REGULATIONS

1. Citation and commencement – (1) These Regulations may be cited as the Public Finance Management (Internal Audit) Regulations 2020.

(2) These Regulations commence on the date they are signed by the Head of State.

2. Interpretation – In these Regulations, unless the context otherwise requires:

“Committee” in relation to:

- (a) a department, the Audit Committee established in regulation 11; or
- (b) a public body, the Audit Committee established by the board of the public body under Schedule 8 of the Public Bodies (Performance and Accountability) Act 2001;

“conflict of interest” means a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest that can make it difficult to fulfil his or her duties impartially;

“department” has the same meaning as in section 2 of the Act;

“independence” means the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner;

“internal auditing” means an independent objective assurance and consulting activity designed to add value and improve the Government’s operations, and which helps each department or public body accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;

“internal auditor” includes an officer appointed as such in a department or public body;

“Ministry” means the Ministry of Finance;

“objectivity” means an unbiased mental attitude of internal auditors to perform their duties and engagement in such a manner that they believe in their work product and that no quality

compromises are made, and requires not having judgment on audit matters be subordinate to others;

“public body” has the same meaning as in section 2 of the Public Bodies (Performance and Accountability) Act 2001;

“relevant Chief Executive Officer” means the head of a department or public body;

“responsible Minister” means the Minister responsible for a department or public body;

“Standards” means the International Professional Practices Framework (IPPF) Standards (as amended from time to time).

3. Internal audit function – (1) The relevant Chief Executive Officer’s responsibility to establish and maintain an internal audit function:

(a) may take into account any recommendation provided by the Financial Secretary and relevant Committee; and

(b) includes implementing systems to ensure that the internal audit function operates efficiently, effectively and economically.

(2) Where an internal audit function is not yet established within a department or public body, the Ministry shall provide internal audit services by default only, until such time a department or public body establishes an internal audit function.

(3) An internal audit function shall have the following responsibilities:

(a) report to the Committee for functional oversight (including monitoring and evaluation); and

(b) report to the relevant CEO for administrative purposes; and

(c) to carry out objective examinations of evidence for the purpose of providing independent assessments to the Committee and management and relevant stakeholders in regards to governance, risk management, and control processes of a department or public body; and

(d) to carry out risk-based audits and any other audit required by the Chief Executive Officer of the

Ministry and Committee (provided it is in line with the Standards); and

- (e) to provide advisory services; and
- (f) to assist in improving internal control systems and processes;
- (g) to evaluate control efficiency and effectiveness and provide the relevant management or board reasonable assurance that the controls in place are adequate to respond to the risks that threaten the department or public body;
- (h) to work with management to identify the risks in respect of a department or public body;
- (i) to contribute to improving operations of a department or public body;
- (j) to promote and abide by the Code of Ethics applying to the Internal Audit Forum to maintain the principles of integrity, independence, objectivity, confidentiality, and competency;
- (k) to raise red flags upon discovering any improper conduct;
- (l) to provide insight and advice on strategic risks, while management has the ultimate responsibility in considering any such advice;
- (m) to ensure financial statement accuracy, in particular, to examine the reliability and integrity of financial and operational information.

(4) If, during the conduct of an audit, an internal auditor becomes concerned, discovers or suspects that there is an irregularity or problem arising from or involving an issue or area that is not covered under the current audit, he or she shall extend the audit to that issue or area, and report the same to the Chief Executive Officer of the Ministry.

(5) For the purpose of subsection (3)(c), an internal audit function shall perform assessments according to IPPF.

(6) Without limiting subregulation (3), an internal audit function may also be guided by the Internal Audit Manual and Assignment Practice Guide in terms of carrying out of assignments, planning, audit fieldwork, audit reporting, audit programmes and guidelines, audit tests, and other relevant areas.

(7) An internal audit function may exercise any of the powers provided for in the IPPF Standards, and subject to

availability of funding and resourcing may also obtain assistance from either:

- (a) the Ministry under subregulation(2); or
- (b) an expert (other than an internal auditor) co-sourced; or
- (c) any other person or specialised services within or outside a department or public body outsourced,

in order to complete an assignment.

(8) An internal audit function must:

- (a) operate in accordance with the International Professional Practice Internal Audit Standards, Association of Certified Fraud Examiners (ACFE) Professional Standards and any other appropriate national or international standards; and
- (b) liaise with the head of the internal audit function of the Ministry in carrying out the functions and powers specified under this regulation.

(9) For the purpose of this regulation, the relevant CEO shall make the necessary arrangements to appoint a person with relevant qualifications, skills, competence and experience to be head of the internal audit function to manage and lead internal audit matters for that particular department or public body.

(10) The qualifications, job description and selection criteria of the head of an internal audit function shall be endorsed by the Committee before advertisement.

4. Charter of internal audit function – (1)The Chief Executive Officer of the Ministry may issue an Internal Audit Charter to apply and govern the operations of an internal audit function in a department or public body, which must:

- (a) be consistent with the Institute of Internal Auditors' International Professional Practice Framework; and
- (b) take into account any recommendations of the Committee.

(2) Without limiting subregulation (1), the relevant Chief Executive Officer and head of the internal audit function of a department or public body shall determine (in liaison with the Ministry and Audit Committee) an internal audit charter specific to that department or public body provided that:

- (a) it is not inconsistent with the Charter issued insubregulation (1); and
- (b) it is readily available to the officers of the department or public body concerned; and
- (c) it contains the following:
 - (i) purpose and mission of the internal audit function; and
 - (ii) standards for the Professional Practice of Internal Auditing; and
 - (iii) authority to fulfill internal audit duties; and
 - (iv) reporting structure as per regulation 3(3)(a) and (b); and
 - (v) the independence, objectivity and confidentiality of the function; and
 - (vi) the scope of the internal audit function; and
 - (vii) the responsibility of the internal auditor; and
 - (viii) the organisational relationships (including relationships with recipients of the Government funds that apply them to achieve Government objectives); and
 - (ix) ancillary roles of the function; and
 - (x) competence and conduct of audit work; and
 - (xi) planning and reporting achievements of the internal audit activities, resources, and continuing professional development of internal auditors.

5. Internal audit access –(1)For the purpose of carrying out an internal audit of a department or public body, an internal audit function:

- (a) must, at reasonable time have reasonable unrestricted access to buildings, offices, places and stores controlled or used by the department or public body, including places where evidence is expected to be kept and personnel relating to an audit; and
- (b) may require a department or public body to produce for inspection, or make copies of, any document, record, information or data (including any computer data) in hardcopy; and
- (c) may ask questions to, or enquire from, an employee of the department or public body

regarding any loss to public money or public property;

- (d) may request from an employee of the department or public body any information or explanation relevant to the audit to be provided;
- (e) must have access to personnel files and records;
- (f) may, in consideration of privacy and surveillance safeguards, examine, photograph or film anything in premises being audited;
- (g) require any person in the place relating to where an audit takes place or subject of audit (including an inquiry made to a third party) to give reasonable assistance in relation to the exercise of any powers under these Regulations and provided that it is in relation to Government business and with due regard to reasonableness.

(2) Access by an internal auditor to a copy of any document, record, information or data required in subregulation (1) is subject to the approval of the relevant Chief Executive Officer taking into account relevant considerations relating to the nature of the information or request.

(3) An approval by the relevant Chief Executive Officer under subregulation (2) must not be unreasonably withheld.

(4) Without limiting subregulation (1), the Chief Executive Officer of the Ministry may delegate to:

- (a) an officer of the Ministry; or
- (b) an officer of another department or public body;
or
- (c) an expert (other than an internal auditor) co-sourced; or
- (d) any other person or specialised services within or outside a department or public body outsourced,

as he or she thinks fit and qualified, all or any of the powers or duties exercisable under the Act, in respect of any matter relating to the internal audit function.

6. Internal audit planning (other than cross government internal audit planning) – (1) The internal audit function of a department or public body shall:

- (a) assist the Ministry in the development of a medium term strategic internal audit plan; and
 - (b) prepare an annual internal audit plan specific to the department or public body concerned, having regard to:
 - (i) the responsibilities of the head of a department or public body; and
 - (ii) a risk assessment for each area of the operations of a department of public body; and
 - (iii) resources intended for implementation of the plan; and
 - (c) prepare a plan for each audit to be performed under the annual audit plan prepared under paragraph (b).
- (2) In preparing an internal audit plan, the internal audit function must consult:
- (a) the relevant Chief Executive Officer; and
 - (b) officers of the department or public body who are in charge of the areas to be audited in the plan; and
 - (c) the Controller and Auditor General or senior officer authorised by the Controller and Auditor General; and
 - (d) the Chief Executive Officer or head of the internal audit function of the Ministry in terms of the overall government risk assessment and cross government audits; and
 - (e) the Committee for review or any feedback.
- (3) A strategic internal audit plan developed in subregulation (1)(a) must be approved by the Chief Executive Officer of the Ministry, and an annual plan must be approved by the Committee, acting on the advice of the relevant Chief Executive Officer.

7. Internal audit risk assessments – (1) The internal auditor of a department or public body shall (in consultation with the relevant Chief Executive Officer) prepare an internal audit risk assessment, of the department or public body by which he or she is employed:

- (a) on an annual basis; and
- (b) in accordance with the IPPF Standards.

(2) A final internal audit risk assessments shall be made available to:

- (a) the relevant Chief Executive Officers; and
- (b) internal audit functions of the departments or public bodies concerned; and
- (c) the Committee; and
- (d) the Chief Executive Officer of the Ministry.

(3) The relevant Chief Executive Officer and the head of the internal audit function of a department or public body shall cooperate in the preparation of the cross government internal audit risk assessments which shall be prepared annually under the leadership and guidance of the head of the internal audit function of the Ministry.

8. Internal Audit reports – (1) The internal audit function of a department or public body must forward the draft audit report to the relevant Chief Executive Officer and head of the division relating to the area being audited.

(2) Upon receipt of the draft audit report, the relevant Chief Executive Officer and head of the division relating to the area being audited must be given the draft to provide comments within a reasonable time.

(3) The internal audit function must also forward to the relevant Chief Executive Officer, Chief Executive Officer of the Ministry and Committee a copy of:

- (a) the report on the performance of the annual audit plan and progressive results to date, at the same time as the internal audit report; and
- (b) other reports as the relevant Chief Executive Officer or Committee or internal audit function considers necessary.

(4) The relevant Chief Executive Officer must:

- (a) consider the contents of all reports in this regulation, including actions required because of a report and taking measures to effect such actions; and
- (b) ensure follow-up action is performed by reviewing the outcome of directions or recommendations made; and
- (c) provide a written response to the Committee as to the actions taken or his or her views otherwise.

(5) Once the internal audit report has been finalised and approved between the internal auditor and the relevant Chief Executive Officer or head of the division relating to the area being audited, the final report is submitted to:

- (a) the Committee for functional oversight (including monitoring and evaluation); and
- (b) the Chief Executive Officer of the Ministry and the Controller and Auditor General for information and guidance.

9. Certification by the relevant Chief Executive Officer that all is in order– The relevant Chief Executive Officer must, by 30 June each year, certify in writing to the Chief Executive Officer of the Ministry for the upcoming financial year that:

- (a) the approved internal audit charter (outlining roles and responsibilities and the relevant Chief Executive Officer's delegation) is in place as per regulation 4;
- (b) internal auditors are independent and have no operational roles (except to attend meetings) or involvement in the payment process (except to carry out pre-audits);
- (c) a risk assessment has been performed identifying areas of highest risk;
- (d) an annual internal audit plan has been developed and approved and this adequately addresses the risk identified and incorporate cross Governments audits identified in the overall Government internal audit annual plan;
- (e) adequate resources have been allocated to the internal audit functions;
- (f) issues and recommendations from internal audit reports have been given due consideration and appropriate action implemented.

10. Relationship with Controller and Auditor General – (1) The head of the internal audit function of the Ministry must consult with the Controller and Auditor General in preparing annual plans to obtain maximum benefit and avoid duplication from an internal audit coverage including spot check reviews.

11. Audit Committee – (1) An Audit Committee (“Committee”) is established and comprises the following members:

- (a) Chief Executive Officer of the Ministry as Chairperson; and
- (b) Controller and Auditor General; and

- (c) President of the Samoa Institute of Accountants (SIA) or his or her representative from the Council of SIA (who is not employed in any service of the Government, is appropriate and qualified, and who has not less than 10 years of experience in either accounting or auditing profession); and
- (d) Chief Executive Officer of Ministry for Public Enterprises; and
- (e) Chairperson of the Public Service Commission.

(2) Where the Chairperson is absent from a meeting, the members present shall appoint one of the members with voting rights to preside over the meeting.

(3) The Controller and Auditor General shall have no voting rights and attend only as an honorary member for purpose of advocacy, advisory and counselling on good quality governance and quality auditing.

(4) Where a member of the Committee is unable to attend a meeting for whatever reason, he or she may nominate a delegate (at senior management level) of his or her department to attend on his or her behalf.

(5) The relevant Chief Executive Officers shall:

- (a) along with the head of the internal audit function of the same Ministry or public body attend the Committee meetings when required by the Committee; and
- (b) report on the internal audit work performed, issues identified and the status of prior recommendations,

but has no voting rights.

(6) A member of the Committee:

- (a) appointed under subregulation (1)(a), (b), (d) and (e) holds office for a period of up to 3 years; and
- (b) except a member who is employed in any service of the Government, shall be paid from funds of the Ministry, such remuneration and allowances as are approved by the Cabinet; and
- (c) must upon commencement of his or her appointment:
 - (i) provide a written declaration of any interests that may affect his or her role as a member of the Committee; and

(ii) sign an Impartiality and Confidentiality Form made available by the Ministry.

(7) A member of the Committee appointed under subregulation(1)(d) may be removed by the Cabinet, on the grounds specified in the instrument of appointment.

(8) The office of a member of the Committee appointed under subregulation(1)(d) becomes vacant if the member:

(a) is removed from office in subsection (4); or

(b) dies; or

(c) resigns from the Committee by giving written notice to this effect to the Secretary,

and the vacancy may be filled in the manner which originally applied to the appointment of the member.

(9) The set up and existence of the Committee shall be in accordance with the Audit Committee Charter and consistent with the Internal Auditor's International Professional Practice Framework or any other document or instrument as confirmed by the Secretary to the Committee.

12. Secretary of Committee – (1) The head of the internal audit function of the Ministry shall carry out duties as Secretary to the Committee.

(2) The Secretary is responsible for liaising with the Chief Executive Officer of the Ministry to ensure:

(a) the effective implementation of these Regulations and any standards relating to the internal auditing profession; and

(b) that the operations and activities of the Committee are in accordance with relevant guidelines or standards.

(3) The Secretary has no voting rights.

13. Meetings of Committee – (1) The Chairperson or at least 3 members of the Committee may request the Secretary to convene a meeting of the Committee and shall ensure that the Committee meets on a quarterly basis every calendar year.

(2) Despite subregulation (1), the Chairperson or at least 3 members of the Committee may request a special meeting of the Committee as necessary.

(3) At a meeting of the Committee the quorum shall be half plus one of the members of the Committee, one of whom must be a person appointed in regulation 11(1)(d).

(4) At a meeting of the Committee, the Chairperson shall have a deliberative vote, and in the case of an equality of votes, the Chairperson shall also have a casting vote.

(5) The Committee may co-opt a person to attend a meeting but that person shall have no voting rights.

(6) A decision of the Committee is not affected by a vacancy in its membership or a defect in the appointment or qualification of any of its members.

(7) The Committee may regulate its own procedures.

14. Disclosure of interest – A member of the Committee who has an interest in any matter being considered or dealt with by the Committee:

- (a) must disclose the nature of such interest at a meeting of the Committee; and
- (b) must not take part in any deliberation or decision of the Committee with respect to the matter.

15. Functions and powers of Committee – (1) The Committee has the following functions:

- (a) to provide a structured and an independent oversight systematic of the operation of department's or public body's governance, risk management and consider the effectiveness of internal control systems (including information technology security and control); and
- (b) assist management by providing advice and guidance on the adequacy of the departments' initiatives for:
 - (i) values and ethics;
 - (ii) governance structure;
 - (iii) risk management;
 - (iv) internal control framework;
 - (v) oversight of the internal audit activity and other providers of assurance;
 - (vi) financial statements and public accountability reporting; and
- (c) to recommend resourcing or funding of an internal audit function and provide analysis as appropriate; and
- (d) to consider, on an annual basis, the adequacy of internal audit coverage across all departments and public bodies; and

- (e) to consider work plans or request changes to an internal audit function where it is satisfied that coverage is inadequate; and
- (f) to ensure compliance of the internal audit function of departments and public bodies with the International Professional Practices Framework for Internal Auditing; and
- (g) to review and approve the internal audit charter at least annually;
- (h) to review and endorse the annual internal audit plan prepared by the internal auditor of a department or public body upon approval by the relevant Chief Executive Officer for implementation and to monitor the progress of plan execution and outcomes;
- (i) to review and follow up on internal audit reports; and
- (j) to have unrestricted access to, and communicate and interact directly with, the Committee; and
- (k) to carry out any other task or function determined by the Cabinet, acting on the advice of the Chief Executive Officer of the Ministry.

(2) The Committee must comply with the Institute of Internal Auditors International Professional Practice Framework, Audit Committee Guidelines-Improving, Accountability and Performance or any other document or instrument as confirmed by the Secretary to the Committee.

(3) The Committee shall do anything necessary and lawful for the purpose of carrying out of functions specified in this regulation.

16. Audit Committee of a public body –(1) For the purpose of these Regulations, the requirements of Schedule 8 of the Public Bodies (Performance and Accountability) Act 2001 continue to apply.

(2) For purposes of overall governance and coordination of the internal audit function across government, the Audit Committee of a public body shall provide copies of internal audit reports brought to its attention to:

- (a) the Chief Executive Officer of the Ministry; and
- (b) the Chairperson of the board of the public body concerned; and
- (c) the Secretary of the Audit Committee established under regulation 11, for consideration at the next ensuing Committee meeting.

17. Internal Audit Forum – (1) An Internal Audit Forum is established comprising of all internal auditors of a department or public body serving the following purpose:

- (a) to coordinate and work together as internal auditors to develop and increase a professional approach through adopting a common methodology, procedures, technology and techniques;
- (b) to contribute collectively to the development and implementation of the cross government systematic audits and relevant internal audit activities including continuing professional development activities.

(2) The Chief Executive Officer of the Ministry shall prepare the terms of reference for the Forum, and distribute the same to the relevant Chief Executive Officer and the head of the internal audit function of that department or public body.

(3) Upon receipt of the terms of reference in subregulation (2), the relevant Chief Executive Officer and the head of the internal audit function of that department or public body shall approve the document

(4) An internal auditor of a department or public body must attend meetings of the Forum, and the relevant Chief Executive Officer must assist in ensuring attendance by any such personnel, and failure by an internal auditor to do so is grounds for disciplinary action under regulation 23.

18. Conduct of the Internal Audit Forum – (1) The Forum shall be led by the head of the internal audit function of the Ministry who shall act as Chairperson.

(2) Other members of the Forum's executive may be selected by the Forum amongst other internal auditors who are present.

(3) The Forum may establish committees (under the leadership of the head of the internal audit function of the Ministry) to manage the Forum and related activities.

(4) Committees established in subregulation (3) shall include but not limited to:

- (a) a Professional Practices Committee; and
- (b) a Quality Assurance Committee; and
- (c) an Education Committee.

19. Cross Government audits – (1) The Chief Executive Officer of the Ministry shall prepare on an annual basis, with the assistance of relevant Chief Executive Officers (and heads of internal audit functions of departments and public bodies), a cross Government internal audit plan which should address the high-risk areas.

(2) A cross Government internal audit plan must:

- (a) be approved by the Committee; and
- (b) outline the scope of audits to be performed across all departments and public bodies; and
- (c) involve the relevant resources including personnel responsible for the internal audit function of the respective departments or public bodies.

(3) The head of the internal audit function of the Ministry shall lead and direct the overall cross Government audit, and the relevant Chief Executive Officers are required to carry out any lawful directions issued by the Chief Executive Officer of the Ministry with regards the audit or in relation to the internal audit function.

(4) For avoidance of doubt, an internal auditor is responsible for performing the audit of the department or public body by which he or she is employed and shall provide a report on the audit to the Chief Executive Officer of the Ministry:

- (a) for compilation into the overall cross Government audit report; and
- (b) for approval before implementation of matters noted in the report.

(5) Internal audit reports required under this regulation shall be prepared and circulated in accordance with the same process set out in regulation 8.

20. Code of Ethics, etc. –(1) Internal auditors operating by virtue of these regulations must act in accordance with the Standards, and in particular:

- (a) exhibit the highest level of professionalism in the gathering, evaluation and communication of information when auditing and shall act only in areas for which they have the necessary knowledge, skills, experience and competence; and
- (b) perform internal auditing in accordance with generally accepted principles of internal

auditing and any standard or guidelines set by the Ministry; and

- (c) in the performance of their work make a balanced assessment of all issues of relevance to the work and should not be influenced by their personal interest or the interests of others;
- (d) apply objectivity in performing their work and not subordinate their judgment on audit matters to others; and
- (e) be independent from all other parts and divisions of their respective department or public body for the purposes of carrying out its internal audit functions; and
- (f) not be involved in operational management tasks or payment process of the respective department or public body; and
- (g) perform their work with honesty and diligence;
- (h) not knowingly be a party to any illegal activities or engage in acts that discredit the work of internal auditing or the department or public body concerned;
- (i) make disclosures required by law or any relevant standards or procedures;
- (j) not participate in any activity or relationship that may impair or is likely to be taken to impair unbiased assessment, including an activity or relationship that may be in conflict with the interests of the department or public body;
- (k) not accept anything or any favour that may impair or be taken to affect their professional judgment; and
- (l) disclose all material facts known to them, the non-disclosure of which may distort any reporting activity.

(2) Threats to independence or objectivity must be managed at the individual auditor, engagement, functional and organisational levels.

21. Conflict of interest – (1) An internal auditor must have an impartial, unbiased attitude and avoid any conflict of interest.

(2) A conflict of interest:

- (a) exists even if no unethical or improper act arises; and

- (b) must be disclosed to the appropriate parties before engaging in or conducting an internal audit activity or during the course of this process; and
- (c) can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity, and the profession.

(3) Where the Chief Executive Officer of the Ministry or Committee considers that a conflict of interest is likely to occur, the Chief Executive Officer of the Ministry may conduct an internal audit or investigation, and in the case of the Ministry, the Committee may appoint a senior internal auditor from another department or public body to conduct an audit or investigation on the Ministry.

(4) An officer who has any form of a conflict of interest in an internal audit which he or she is assigned to work on, shall immediately disclose to the relevant Chief Executive Officer and a copy to the Chief Executive Officer of the Ministry (and if the officer is the relevant Chief Executive Officer or Chief Executive Officer of the Ministry, immediately disclose to the Committee) that officer's interest and refrain completely from being involved in that internal audit.

22. Confidentiality – (1) Unless there is a legal or professional obligation to disclose information, any information provided by a department or public body during the course of any internal audit must, at all times, be treated as confidential and used solely for the purpose of carrying out the internal audit.

(2) Internal auditors must:

- (a) be prudent in the use and protection of information acquired in the course of their duties; and
- (b) not use information for any personal gain or in any manner that would be contrary to these regulations or detrimental to the legitimate and ethical objectives of the Ministry or department or public body.

(3) The relevant Chief Executive Officer, the Chief Executive Officer of the Ministry must treat an internal audit report received by either as strictly confidential, except when either is required to disclose the contents of the report for the purpose of:

- (a) an investigation involving a suspected irregularity or fraud (which includes disclosing the report to the Committee and Controller and Auditor General); or
- (b) a criminal investigation or prosecution.

23. Offences and penalties – (1) A person who:

- (a) provides false information when required; or
- (b) unreasonably or without good cause fails to produce for inspection or otherwise fails to give access to any information, document or premises as required; or
- (c) willfully suppresses any information or explanation without good cause; or
- (d) unreasonably or without good cause obstructs an internal auditor in the performance of his or her functions,

commits an offence and is liable upon conviction to a fine not exceeding 50 penalty units or imprisonment for a term not exceeding 1 year, or both.

(2) A person who alters, erases, destroys or conceals any document or information with the intention of avoiding producing of the document or information as required, commits an offence and is liable upon conviction to a fine not exceeding 100 penalty units or imprisonment for a term not exceeding 1 year, or both.

(3) An officer of a department or public body who:

- (a) demands or takes a bribe, gratuity, recompense or reward for the neglect, omission, commission or performance of a duty under these Regulations; or
- (b) willfully fails to report any abuse or irregularity that comes to the notice of the officer in the course of the performance of a duty under these Regulations; or
- (c) makes a report which the officer knows to be false or which the officer has no reason to believe to be true; or
- (d) knowingly acts in contravention of these regulations; or
- (e) willfully fails when required to report a suspected case of fraud or irregularity by the department or public body,

commits an offence and is liable upon conviction to a fine not exceeding 50 penalty units or imprisonment for a term not exceeding 1 year, or both.

(4) Despite any other Act, proceedings in respect of an offence against these Regulations shall be commenced within 3 years after the date of the commission of the offence.

(5) A breach of these Regulations may also be a ground for disciplinary action under the Public Service Act 2004 (in the case of Ministry) or in accordance with applicable procedures or guidelines developed (in the case of a public body or Government agency not subject to the Public Service Act 2004).

(6) For the purpose of subregulation (5), if a public body or Government agency that does not subject to the Public Service Act 2004 have no disciplinary procedures or guidelines in place, they must adopt procedures of the Public Service Commission.

24. Protection of internal auditors – (1) All internal auditors have a duty to carry out internal auditing in good faith and in accordance with the relevant audit requirements, standards and guidelines.

(2) An internal auditor who acts in good faith and in compliance with audit standards shall not:

- (a) be terminated without notice of intention and reason of such termination or notice of right to reply; or
- (b) be subject to arbitrary retaliation (including termination or deduction of employment benefits); or
- (c) be removed or suspended; or
- (d) be liable for an act or thing done in good faith and in the course of his or her employment.

(3) The immunities provided for under this regulation shall be further implemented in relevant contracts or working conditions governing the employment of an internal auditor.

(4) This regulation does not prevent the exercising of powers of relevant authorities to impose disciplinary measures or penalties or carry out an investigation in respect of an internal auditor who is suspected or confirmed, after due process is followed, to be in breach of the law, a Code of Conduct or other requirements or principles governing the employment of an internal auditor.

25. Regulations to prevail – Where there is an inconsistency between these Regulations and any treasury instructions or operating manuals or policies issued under the Act in relation to internal audit function or internal controls, these Regulations prevail.
