

1.01 Internal Audit

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1.0 Purpose

Organisational drift and loss of institutional knowledge can impact the manner in which LIANZA operates subtly changing policy and procedures. It is important to ensure that the Code of Practice remains both accurate and relevant, and is adhered to for the purposes of best practice and transparency. The purpose of this policy is to ensure that LIANZA is operating within the guidelines laid out in the Code of Practice, and to provide the opportunity for a regular review of the Code to ensure it remains fit for purpose.

2.0 Scope

Every part of the Code of Practice falls under the scope of the Internal Audit Policy.

3.0 Definitions

LIANZA	Library and Information Association of New Zealand Aotearoa
Internal auditors	Any individual conducting a LIANZA internal audit
President	Head of Council
Executive Director	Primary employee of LIANZA

4.0 Related policies and procedures

- LIANZA Code of Practice

5.0 References

ISO 9001 Framework

6.0 Exceptions

In order to ensure transparent operation of LIANZA there are no exceptions to this policy.

7.0 Responsibilities

It is the responsibility of the President to ensure that internal audits are conducted and that any breaches of the Code of Practice identified in an internal audit are managed as per this policy

It is the responsibility of the Executive Director to administer this policy as per the directives of the President.

It is the responsibility of each individual / group operating within LIANZA to ensure that they comply with any requests for information or directives issued as a result of an internal audit.

8.0 Policy

- 8.1 Internal audits will be conducted at a minimum of every three years, and of every aspect of the Code of Practice
- 8.2 Internal audits will be conducted by an individual not involved in the day to day operation of LIANZA, of appropriate standing in the organisation.
- 8.3 Where an internal audit identifies a non-compliance with the Code of Practice, corrective action will be taken within three months.
- 8.4 All audit results will be reported to the National Council and will form a regular agenda item.

9.0 Procedures

9.1. Frequency of Audit

- 9.1.1. Audits will be conducted as per the audit calendar laid out in the Code of Practice table of contents
 - 9.1.1.1. Aspects of operation that are deemed high risk will be audited on an annual basis. These include finance related policies, and any relating to Health and Safety
 - 9.1.1.2. Council may request an audit of any aspect of the Code of Practice outside of the regular schedule if they believe that a non-compliance is occurring
- 9.1.2. Where an audit identifies a major non-compliance, additional audits will be required three monthly until the non-compliance is rectified
- 9.1.3. Council will review the audit frequency of each area of the Code of Practice when reviewing the Internal Audit Policy

9.2. Individuals conducting Audit

- 9.2.1. Individuals conducting LIANZA audits (internal auditors) will be required to have an understanding of policy implementation and to be a LIANZA member in good standing
 - 9.2.1.1. Ideally Internal Auditors will be a past member of Council and have had some experience administering the Code of Practice
- 9.2.2. Neither LIANZA office staff nor current LIANZA Council members will be permitted to conduct an internal audit, as they are instrumental in the operation of the Code of Practice

9.3. Audit Process

- 9.3.1. Prior to beginning an audit, the auditor will receive a copy of the relevant part of the Code of Practice and all previous audits. This will help them assess the scope of the audit and the specific procedures to review
- 9.3.2. The internal audit should be completed using the Internal Audit Checklist
- 9.3.3. The internal auditor will note which staff and volunteers they should speak to about the policy. If they are in doubt they can ask the Executive Director who is responsible for the key tasks.
- 9.3.4. Using the policy as a guide, the internal auditor should note the key tasks and aspects of the policy that they wish to investigate. They do not need to audit every

part in detail, and may choose only to focus on areas they feel are critical or where there have been previous non-compliances.

9.3.5. Any non-compliances identified should be noted down. These occur wherever there is a deviation from the procedures noted in the Code of Practice.

9.3.5.1. If the auditor has only been focused on a specific area of the Code in question, and the non-compliance is significant, they may choose to expand the audit to review the entire policy at this stage.

9.3.6. Where a non-compliance is noted, a corresponding corrective action should be recommended by the internal auditor. If the internal auditor believes that the non-compliance supports the intent of the relevant code of practice and does not negate best practice they may recommend an amendment to the Code in lieu of corrective action.

9.3.7. Once the audit report is completed, this will be presented to Council for their ratification of any corrective action identified

9.3.7.1. Once a corrective action has been approved by Council, the non-compliance will be added to the corrective action register

9.3.8. When the corrective action has been taken this will be reported to the LIANZA President who will sign off on the audit as completed

9.4. Audit records

9.4.1. Audit records will be stored electronically and kept on file in the LIANZA document management system where they are visible to the Council at all times. Folders will be created for:

9.4.1.1. Current audits (those being completed by auditors)

9.4.1.2. Non-compliances – those audits where a non-compliance has been identified and corrective action is underway

9.4.1.3. Completed audits – those that have been signed off by the President.

9.4.2. Members may request the audit records for any policy or procedure at any time from the office

9.5. Managing non-compliance

9.5.1. A register of non-compliances identified and resulting in corrective action will be maintained by the LIANZA office

10.0 Review

This policy will be reviewed every two years

11.0 Attachments

- Internal Audit Template

Internal Audit Checklist

Please use additional sheets of paper if necessary

Date of audit:	Name of auditor:
Section of Code of Practice being audited:	
Individuals spoken to as part of the audit:	
Key actions identified under code of practice:	
Key non-compliances identified under audit (if any):	

Proposed corrective action (if any):

Audit presented to council: Yes / No

Date:

Corrective action delegated to:

Corrective action to be completed by (date):

Any areas of Code that require review:

Comments:

Acknowledgement that audit and corrective action completed to an appropriate standard.

Signature of President:

Date: _____