

# **Nigeria Governors' Forum (NGF) Secretariat**

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## **Audit and Compliance Charter**

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**Prepared for the Approval of the Director-General**

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## 1. Introduction

The Audit and Compliance Charter establishes the purpose, authority, and responsibility of the Audit and Compliance Unit within the Nigeria Governors' Forum (NGF) Secretariat. This Charter is designed to support the NGF Secretariat's commitment to maintaining effective governance, inclusiveness, accountability, transparency and compliance, ensuring that internal controls are adequate, and that risk management is effective across all departments.

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## 2. Purpose

The purpose of the Audit and Compliance Unit is to:

- Provide independent and objective assurance and consulting services that add value and improve the NGF Secretariat's operations.
- Ensure that the NGF's operations are conducted according to the highest professional standards through a systematic and disciplined approach.
- Assist management in identifying, assessing, and managing risks.
- Support the NGF Secretariat in achieving its strategic objectives by promoting effective controls, compliance, integrity, accountability and governance in all its activities and processes.

## 3. Scope of Work

The Audit and Compliance Unit's scope includes all NGF Secretariat activities, functions, and departments, specifically focusing on the following areas:

- **Operational Efficiency:** Reviewing processes and functions to improve efficiency and ensure resource optimization.
- **Financial Integrity:** Assessing the accuracy and reliability of financial reporting.
- **Compliance:** Ensuring adherence to internal policies, regulations, and statutory requirements.
- **Risk Management:** Identifying and evaluating risks and recommending actions to mitigate those risks.
- **Safeguarding Assets:** Protecting financial, physical, and intellectual assets from mismanagement or misuse.

## 4. Authority

The Audit and Compliance Unit is authorized to:

- Unrestricted access all records, financial, personnel, and physical properties (fixed assets) relevant to performing audits.
- Communicate freely with the Director-General, management, and the Audit Committee.
- Obtain necessary assistance from any department within the NGF Secretariat when conducting audits.

The Audit and Compliance staffs are not authorized to:

- Initiate or approve accounting transactions external to the department.

## 5. Independence and Objectivity

The Audit and Compliance Unit shall function independently from all operational units and shall report directly to the Director-General, ensuring objectivity in all audit activities.

To maintain objectivity, Audit and compliance shall be responsible for its internal control review of the secretariat and report to the Director General and recommendations and value adding services.

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## 6. Responsibilities

The Audit and Compliance Unit is responsible for:

- **Developing and Executing an Annual Audit Plan:** Preparing a risk-based annual audit plan and executing approved audits in line with professional standards.
- **Conducting Risk Assessments:** Identifying potential risks across departments and recommending appropriate controls.
- **Compliance Monitoring:** Ensuring that the NGF Secretariat complies with regulatory requirements, internal policies, and best practices. Keep the DG informed of emerging trends, successful practices and significant measurement criteria in audit and compliance.
- **Reporting and Follow-Up:** Providing timely reports on audit findings, making recommendations for corrective actions, and following up on management's actions to ensure risks are mitigated.

- **Consulting and Advisory Services:** Offering consulting services to management on risk management, internal control, and governance processes. Carry out ad-hoc appraisals, investigation, or review requested by the DG.
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## 7. Audit Standards and Methodology

All audit activities shall be performed in accordance with international standards for internal auditing and the Code of Ethics of the Institute of Chartered Accountant of Nigeria (ICAN), adhering to the principles of:

- **Integrity:** Maintaining honesty, accuracy, and impartiality.
- **Objectivity:** Avoiding conflicts of interest and maintaining an unbiased approach.
- **Confidentiality:** Respecting the confidentiality of information and ensuring it is used responsibly.
- **Competency:** Conducting audits with due professional care and skill.

The Unit will employ a risk-based audit approach, focusing on areas with high risk or significant impact on the NGF Secretariat's operations.

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## 8. Reporting and Communication

- **Reporting directly to the Director-General:** The Head of Audit and Compliance shall provide regular audit and compliance reports, including findings, risks, and recommendations for improvement.
  - **Audit Committee Meetings:** The Head of Audit and Compliance will attend all Audit Committee meetings and present audit findings and compliance reports.
  - **Communication of Audit Findings:** Each audit will conclude with a report detailing observations, assessments, and recommendations. These reports will be shared with the Director-General and management.
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## 9. Quality Assurance and Improvement

To ensure continuous improvement, the Audit and Compliance Unit will:

- **Engage in Regular Training:** Staff will receive ongoing training to stay updated on best practices, regulatory changes, and technical skills.

- **Conduct Periodic Self-Assessments:** The Unit will perform self-assessments and peer reviews to evaluate and enhance the quality of its work.
  - **Obtain External Quality Assessment:** Periodically engage an independent third party to conduct a quality assessment of the Unit's activities and adherence to audit standards.
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## **10. Review of the Charter**

The Audit and Compliance Charter shall be reviewed every five years to ensure its relevance and alignment with the NGF Secretariat's objectives. Any amendments to the Charter will require the approval of the Director-General.

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### **Approval**

The Audit and Compliance Charter for the Nigeria Governors' Forum Secretariat is hereby approved and effective upon the Director-General's endorsement.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_