

TSC STAFF SUPERANNUATION SCHEME



INTERNAL AUDIT CHARTER

2024

VISION

An exceptional pension scheme offering comfort in retirement

MISSION

To ensure prudent utilization of Scheme Funds and provide timely benefits to members and their beneficiaries

CORE VALUES

- **Integrity**
- **Equity and fairness**
- **Respect for members**
- **Accountability**
- **Innovativeness**

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1.0 Introduction

The Internal Audit Charter is established to define the purpose, authority, and responsibility of the internal audit function within the Teachers Service Commission Staff Superannuation Scheme (TSC - SSS). This Charter ensures that the internal audit function operates independently and objectively to provide assurance on the effectiveness of the Scheme's governance, risk management, and internal controls.

2.0 Purpose

The purpose of the internal audit function is to provide independent and objective assurance and consulting services designed to add value and improve the Scheme's operations. The internal audit function helps the Scheme accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

3.0 Authority and Independence

- **Authority:** The internal audit function is authorized to access all records, personnel, and physical properties relevant to the performance of audit engagements. This access ensures that the Internal Auditor can fully evaluate the Scheme's operations.
- **Independence:** The Internal Auditor shall report functionally to the Audit and Risk Management Committee and administratively to the Trust Secretary. This dual reporting structure ensures the independence of the internal audit function from management.

4.0 Responsibilities

- **Audit Planning:** The Internal Auditor shall develop a risk-based audit plan annually, which is reviewed and approved by the Audit and Risk Management Committee. The audit plan should cover key risk areas and be aligned with the Scheme's strategic objectives.
- **Audit Execution:** The Internal Auditor shall conduct audit engagements in accordance with the approved audit plan,

following internationally recognized internal auditing standards.

- **Reporting:** Upon completion of each audit engagement, the Internal Auditor shall report findings, conclusions, and recommendations to the Audit and Risk Management Committee, who will escalate to the board of Trustees.
- The Internal Auditor shall also monitor and report on the implementation of audit recommendations to the Audit and Risk Management Committee who will subsequently escalate to the Board of Trustees.

5.0 Scope of Work

The scope of internal audit work includes:

- Evaluating the reliability and integrity of financial and operational information.
- Assessing the effectiveness and efficiency of operations.
- Ensuring compliance with laws, regulations, and internal policies.
- Evaluating the effectiveness of risk management and governance processes.

6.0 Reporting and Monitoring

- **Reporting:** The Internal Auditor shall provide regular updates to the Audit and Risk Management Committee on the progress of the audit plan, significant findings, and the status of management's corrective actions.
- **Follow-Up:** The Internal Auditor shall conduct follow-up reviews to ensure that management's corrective actions have been implemented effectively.

7.0 Professional Standards

The internal audit function shall adhere to the International Standards for the Professional Practice of Internal Auditing (IIA Standards) as well as any other relevant professional standards. The Internal Auditor shall maintain objectivity and exercise due professional care in the performance of their duties.

8.0 Quality Assurance and Improvement Program

The internal audit function shall maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. This program includes ongoing internal assessments and external assessments at least once every three years.

9.0 Review and Revision of Policy

This policy shall be reviewed every three years or as required by changes in legal, regulatory, or business requirements. Any revisions shall be approved by the Board of Trustees.

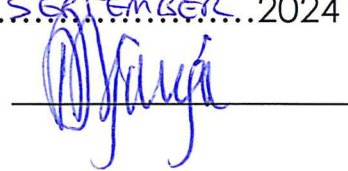
10.0 Adoption and Sign Off

This policy is adopted by the Teachers Service Commission Staff Superannuation Scheme and is effective from the date of approval by the Board of Trustees.

Signed by the Trustees of **Teachers Service Commission Staff**

Superannuation Scheme on this...^{20TH}...day of ~~SEPTEMBER~~...2024

COMMISSIONER MBAGE NJUGUNA NG'ANG'A



MR. FRANKLIN KIPRONO CHOGE



MR. GEORGE MUNENE GICHONJO



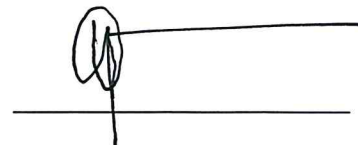
MS. JENNIFER WAITHIRA NDEGE



MS. ERICA KIPSOISOI RUTTO



MR. GEORGE ONYANGO ODAWO



MR. SAMUEL MWENDA KITHINJI



MR. JOSHUA KITHUNU KAMANA



In the presence of the Trust Secretary

MRS. SALOME KARAMBURI MWITI

