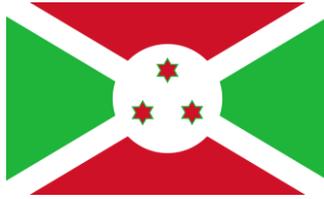


REPUBLIC OF BURUNDI



MINISTRY OF ENVIRONMENT, AGRICULTURE AND LIVESTOCK
BURUNDIAN OFFICE FOR PROTECTION OF THE ENVIRONMENT



INTERNAL AUDIT CHARTER

GITEGA, May 2020



INTERNAL AUDIT CHARTER OF BURUNDIAN OFFICE FOR PROTECTION OF ENVIRONMENT (BOPE)

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CHAPTER I: GENERAL PROVISIONS

Article 1: The purpose of the audit charter is to define the missions, powers and responsibilities of the internal audit function, the nature of its work, its organization, as well as the procedures for communicating the results of its missions and to follow up on its recommendations.

Article 2: The internal audit charter of the Burundian Office for the Protection of the Environment (BOPE) is established in accordance with the provisions of professional standards of internal audit defined by the Institute of Internal Auditors (IAI) and good practices.

It is an official document submitted for opinion and acceptance to General Management, validated by the Audit Committee and approved by the Board of Directors. It clarifies the role of the Internal Audit function and thus facilitates the periodic assessment of the relevance of its missions, powers and responsibilities.

Article 3: The internal audit charter is updated by the internal auditor at least every three years, validated by the Audit Committee and approved by the Board of Directors.

CHAPTER II: MISSIONS, RESPONSIBILITIES AND SCOPE OF INTERVENTION

Section 1: Missions

Article 4: The activity of Internal Audit is to assess, periodically and independently, the effectiveness of governance and risk management processes, internal procedures and policies, as well as the proper functioning of different levels of control.

The main objectives of the Audit are to:

- Ensuring the continuation of performance within the BOPE;
- Verify the compliance of operations with internal procedures and instructions, as well as with the relevant legal and regulatory provisions;
- Ensure that the risks run by each audited entity are identified and managed appropriately, and report significant problems related to the Office's control and organization processes;
- Report on the work of other departments;
- Ensuring the harmonization of control and verification methods and techniques with international standards;



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- investigate or participate in the investigation of alleged fraudulent activities within the BOPE;
- Contribute to the implementation of fraud prevention mechanisms and actions.

Article 5: The main tasks of the internal audit unit are to:

- Constantly monitor the consistency and efficiency of the internal control system, which can be defined as “all of the security that contributes to ensuring, on the one hand, the protection, safeguarding of heritage and the quality of information, on the other hand improving performance”;
- Ensure the safeguarding of the heritage of the Burundian Office for the Protection of the Environment by ensuring scrupulous compliance with procedures, regulatory and legal obligations by both the executing agents and by hierarchical managers;
- Assist members of the Office in the effective exercise of their responsibilities. To this end, it provides them with analyzes, assessments, recommendations, opinions and information concerning the activities examined;
- Propose any action that could bring potential improvements to the different processes and functions in the different entities of the Office. As such, it may be required to provide advice relating to the functioning and organization of the BOPE, as long as it does not participate in the decision-making process presiding over their possible establishment.

Article 6: When carrying out their audit assignments, the internal auditor is responsible for providing assistance to operational and administrative managers in order to determine the risks linked to the assignments and activities of their departments or sections, to analyze the internal control systems put in place and develop recommendations to achieve more effective and efficient management of services.

- At the end of a mission, Internal Audit provides assistance to the various departments of the Office to improve the management of activities, but it exercises neither authority nor responsibility in the activities it audits. Its recommendations and opinions cannot therefore relieve the hierarchy of the departments and sections audited of the responsibilities assigned to them.



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Section 2: Responsibilities

Paragraph 1: General responsibilities

Article 7: The Internal Audit Unit is in particular responsible for:

- Develop risk mapping;
- Establish the audit plan;
- Prepare audit reports;
- Ensure the implementation of its recommendations in the context of follow-up audits as well as the recommendations of the External Control Bodies;
- Prepare a report at the end of each control or verification mission;
- Establish periodic reports to General Management and the Audit Committee.

Paragraph 2: Specific Responsibilities

Article 8: The Internal Audit Unit is responsible, within the framework of its work, for the following responsibilities:

- Check the existence and relevance of regulatory provisions, procedures and internal directives, and ensure that they are known, followed and respected by all employees;
- Assess the effectiveness and adequacy of the internal control system, and identify any shortcomings or weaknesses;
- Check to what extent the assets and property of the BOPE are properly protected from any possible loss;
- Check the appropriateness of the risk analysis process implemented by the Office;
- Assess the efficiency of the processes studied and detect any malfunctions;
- Make recommendations, for example by informing on best practices, by proposing improvements or corrective actions in order to minimize risks;
- Implement the actions necessary to prevent fraud and monitor their results;
- Perform specific tasks at the request of the Chief Executive Officer or the Audit Committee (advisory missions, investigations in the event of suspected fraud, etc.).

Article 9: The Internal Audit Unit takes into account the work of the Court of Auditors and the General State Inspection (IGE) or any other external stakeholder, in order to avoid repeating the same analyzes and ensure the best possible synergy of activities.

The recommendations that the internal audit unit is led to make must not in any way relieve the staff of the Office of the responsibilities entrusted to them. In addition, the design and



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implementation of an internal control system is not the responsibility of the internal audit unit but of the various operational managers.

The internal audit provides an in-depth analysis of the systems put in place in order to stimulate their continuous improvement by the various managers.

Paragraph 3: Scope of intervention

Article 10: The interventions of the internal audit unit are as follows:

- The internal audit unit is empowered to carry out audit missions in all of the BOPE's services and departments. Thus, its field of intervention extends to all activities carried out by the Office (operational and administrative activities), including outsourced activities.
- The Internal Audit Unit is responsible for developing a flexible and scalable annual audit plan based on the assessment of the risks to which the Office is exposed. This plan, as well as its periodic updates, are submitted to General Management and the Audit Committee for review and validation.
- The audit missions are carried out in accordance with the internal audit procedures.

CHAPTER III: INDEPENDENCE AND STATUTES

Section 1: Independence

Article 11: Internal audit is an independent and objective activity which gives an organization assurance on the degree of control of its operations, provides it with advice to improve it, and contributes to creating added value.

It also constitutes the 3rd line of defense and ensures, through its periodic interventions, the proper functioning of the other lines of defense (hierarchical control and permanent second level control).

Article 12:

12.1. In its role of Audit Council, it brings proposals on the quality of management of the activities audited by a systematic and methodical approach but also on the risk management, control and governance processes of the Office, by recommending proposals in the form of recommendations, to enhance their effectiveness.

12.2. Because of his independence, the internal auditor has no operational responsibilities or authority over the areas audited.

12.3. The Internal Audit Unit must have the independence necessary to carry out its missions in the most objective manner.



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Section 2: Positioning of the Internal Audit Cell

Article 13: The BOPE Internal Audit Unit benefits from a double connection at the highest hierarchical level to the Director General and functional to the Audit Committee.

The BOPE internal auditor acts by delegation from the Audit Committee. It must have a methodology enabling it to efficiently and appropriately carry out its internal audit missions.

Article 14: The BOPE Audit Committee validates the annual audit plan. The Internal Auditor is responsible for the proper execution of the validated annual audit plan and reports directly to General Management with a copy to the Audit Committee.

Section 3: Powers

Article 15:

15.1. The internal auditor has extensive powers within the framework of the verification and control missions entrusted to him. As such, he is authorized to have unlimited access to all documents, functions, records, procedures, and to have all the information necessary for the accomplishment of his missions.

15.2. He thus has the right to interrogate any computer file or database regardless of the Office entity which ensures its storage and maintenance. In this regard, the managers of the audited entities, as well as their respective teams, must be in perfect collaboration with the auditors before, during and after missions on points relating to their activities.

15.3. Managers and their teams must facilitate access to the documentation requested by the Auditors, not only during the missions, but also during the implementation process and the follow-up of the recommendations.

15.4. The Internal Auditor may interview any member of the staff of the Office, whatever their grade and function.



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CHAPTER IV. RULES OF CONDUCT

Section 1: Integrity

Article 16: Internal auditors must:

- Respect the rules of good conduct specific to the audit and internal control functions established on the basis of fundamental principles and professional rules to practice the profession of Audit. In this case, they are obliged to accomplish their missions honestly, diligently, responsibly, professionally and with competence. And also, they have to do their work with competence and professional consciousness.
- Contribute to the respect of the ethical and legitimate objectives of the BOPE.
- Refrain from taking part in activities or establishing relationships that could compromise the impartiality of their judgment. This also applies to activities or business relationships which could enter into the conflict with the interests of the Office.

Section 2: Objectivity

Article 17: The Internal Audit Unit conducts missions without prejudice, in all objectivity, impartiality and honesty. It respects the contradictory procedure, namely the audit findings and the recommendations which are always brought to the prior knowledge of the heads of the audited entities, for taking a position, before being communicated to General Management.

Article 18: In order to preserve the neutral nature of their activities, internal auditors are not authorized to:

- Initiate or approve accounting transactions external to Audit,
- Direct the activities of any employee of the Office who is not part of the Audit teams, except in the case where the auditor has been appropriately assigned to an entity to carry out work or an assistance mission . In this case, the auditor concerned is considered to be temporarily detached from the audit for the duration of his mission and all actions carried out by him are carried out under the direct responsibility of the entity concerned,
- Audit the entities of which they were part only after the expiration of a period of at least twelve months,
- Be involved in the design or implementation of operational processes and / or permanent control, compliance, management and associated risk control processes,
- Accept goods or services from collaborators or partners of the Office which could compromise or risk compromising their professional judgment.

If the independence and the objectivity of the internal auditor are compromised in fact or even in appearance, he must inform the Director General and the Audit Committee.



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Section 3: Jurisdiction

Article 19:

19.1. The missions must be fulfilled with competence and professional conscience.

19.2. The Internal Auditor must have the knowledge, know-how and experience necessary to exercise his responsibilities.

19.3. The Internal Auditor must have sufficient knowledge to identify signs of fraud, but he is not expected to have the expertise of a person whose primary responsibility is the detection and investigation of fraud.

19.4. The Internal Auditor must have a good knowledge of the main risks and controls related to information technology and audit techniques likely to be implemented in the context of the work entrusted to him.

19.5. The Internal Auditor must obtain the advice and assistance of qualified persons if he does not have the knowledge, know-how and experience necessary to carry out all or part of their mission.

Section 4: Professional conscience

Article 20: The internal auditor must bring to his work the diligence and know-how that one can expect from a reasonably knowledgeable and competent internal auditor.

He must take all the care necessary for his professional practice taking into consideration the following elements:

- The extent of the work required to achieve the objectives of the mission,
- The relative complexity, materiality or significance of the areas to which the procedures specific to insurance missions are applied,
- The relevance and effectiveness of the Office's risk management, control and governance processes,
- The probability of significant errors, irregularities or non-conformities,
- The cost of implementing controls in relation to the expected benefits.

Professional conscience does not imply infallibility.

Section 5: Confidentiality

Article 21: The Internal Auditor is subject to the professional secrecy with no time limit on the activities of the Office of which he becomes aware. He must use and report, with carefulness and discernment, the information obtained and the infringements noted



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during his mission which must in no case be communicated to a person not authorized to dispose it.

Article 22: The audit mission reports, the work files and the information collected and examined within the framework of the audit missions, are kept in conditions preserving both the audit trail and confidentiality.

Article 23: Auditors are bound by professional secrecy obligations. They respect the value and ownership of the information they receive and only disclose this information with the required authorizations, unless a legal or professional obligation requires them to do so. The auditor should not, under any circumstances, use this information for personal interest, or in a way that would contravene legal provisions or prejudice the ethical and legitimate objectives of the Office.

Article 24: If fraud or serious irregularities are discovered, the internal auditor immediately informs the General Management and the Audit Committee, who take the necessary measures.

Section 6: Duty of alert

Article 25: Any Auditor is subject to an obligation to alert as soon as he becomes aware of a significant risk or a serious incident.

This requirement consists for each Auditor to immediately go back to his hierarchy, as well as to the head of the Internal Audit Unit, an alert, each time that information is detected, and which relates to facts likely to have a significant impact on the results of an entity or on its functioning, or to affect the quality of the internal control system or else to damage the image of the institution.