

INTERNAL AUDIT  
CHARTER

The purpose of this charter is to provide in summary form a general understanding of the role and responsibilities of internal auditing within the District.

It is the policy of the District to maintain an internal audit department. Internal auditing is an independent appraisal function established within the District to examine and evaluate the District's activities as a service to the Board and the Superintendent.

OBJECTIVE AND  
SCOPE

The objective of internal auditing is to assist members of the District in the effective discharge of their responsibilities. To this end, internal auditing furnishes them with analysis, appraisals, recommendations, and information concerning the activities reviewed. The audit objective includes promoting effective control at reasonable cost.

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the District's system of internal control and the quality of performance in carrying out assigned responsibilities. The scope of internal auditing includes:

1. Evaluating the reliability, integrity, and relevance of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Analyzing the systems established to ensure compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining whether the District is in compliance with those policies, plans, procedures, laws, and regulations.
3. Reviewing the means of safeguarding assets and, as appropriate, confirming the existence of such assets.
4. Appraising the economy and efficiency with which resources are employed.
5. Assessing operations and programs to ascertain whether results are consistent with established objectives and goals.

INDEPENDENCE

The internal auditor should be independent of the activities audited. Internal auditors are independent when they can carry out their work freely and objectively. Independence permits the auditor to render the impartial and unbiased judgments essential to the proper conduct of audits. Independence is achieved through organizational status and the auditor's mental attitude in performing assigned audits. In order to retain the highest degree of independence and objectivity, the internal audit has a reporting responsibility to the Board.

PROFESSIONAL  
PROFICIENCY

Internal audit activities should be performed with proficiency and due professional care. Audit personnel are responsible for cooperating in the continuation of their education in order to maintain proficiency and technical competence. The auditor should be kept informed of improvements and current developments in internal auditing standards, procedures, and techniques and should be provided continuing education through membership and participation in professional societies, attendance at conferences and seminars, and participation in self-study programs.

DUE PROFESSIONAL  
CARE

The auditor should use reasonable audit skill and judgment and exercise due professional care in performing every audit. The internal auditor is required to conduct examinations and verifications of the activity under audit to a reasonable extent but is not required to perform detailed audits of all transactions. Accordingly, the internal auditor cannot give absolute assurance that noncompliance or irregularities do not exist. Nevertheless, the possibility of material irregularities or noncompliance should be considered whenever the internal auditor undertakes an auditing assignment.

AUDIT PLAN

A confidential audit plan and schedule should be submitted to the Board by July of each year, describing the suggested activities for the next fiscal year. The schedule should list all departments, accounts, and activities subject to review within the next fiscal year.

MANAGEMENT  
RESPONSIBILITY

It is the responsibility of the department manager or campus administrator to make available to the auditor all financial records, documentation, and access to key individuals that are related to the audit being conducted. The auditor cannot be expected to be completely knowledgeable about all activities, systems, procedures, and interrelationships within the organization. The auditor should gain an understanding of the area being audited and plan the audit accordingly. Management has the responsibility to provide the auditor with the above information so the auditor can plan and conduct his or her audit in an efficient manner.

All audit work papers and audit reports should be kept for five years. A longer retention period for special audits may be determined by the auditor's professional judgment.