

INTERNAL AUDIT SERVICES (IAS) - CHARTER

The District is committed to the principles of trustworthiness, respect, responsibility, fairness, and stewardship and has therefore charged the Internal Audit Services (IAS) department with the monitoring of processes and controls to ensure that these values are constantly upheld.

Purpose

IAS is an objective and independent appraisal activity established within the District as a service designed to add value and improve the District's governance, risk management, and control processes.

Internal auditing is a control which functions by examining and evaluating the adequacy and effectiveness of other controls across the District.

Objective

The objective of IAS is to assist the District and its employees in improving current operations, ensuring compliance to laws and regulations, and managing risks. These objectives are accomplished by: constantly analyzing, appraising, and assessing processes for adequate and effective controls; identifying process improvement areas; and providing management with value added recommendations on activities reviewed.

The audit objective includes promoting effective control at reasonable cost.

Scope

The scope of IAS encompasses the evaluation of the District's system of internal control and the quality of performance. The scope includes:

1. reviewing the reliability and integrity of financial and operating information;
2. reviewing the systems established to ensure compliance with policies, plans, procedures, laws, and regulations;
3. reviewing the safeguarding of assets and verifying the existence of assets;
4. appraising the economy and efficiency with which resources are utilized;
5. reviewing operations and programs to determine whether results are consistent with established objectives, goals, and plans; and
6. investigating violations and conducting special projects as required by management.

Authority

IAS reports to the Board Finance Committee and Chancellor and functions under the policies established by management, the Governing Board, and Government Code §1236.

The Director of IAS is authorized unlimited access to all District records, properties, and personnel relevant to the performance of audits and investigations.

Responsibility

The responsibility of IAS includes:

1. serving the District in a manner consistent with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors;

2. coordinating audit activities with others and functioning as the audit liaison in order to best achieve the audit objectives of the District; and
3. submitting an annual audit schedule and summary activity reports to the Chancellor and to the Board Finance Committee.

IAS has no authority or responsibility for activities audited. It cannot develop and implement policies and procedures, prepare records, or establish processes that fall under its auditing purview. It can only review and make recommendations to management.

Conducting Internal Audits

Internal audits will be conducted in accordance with Business Procedure 21.02.