

## **San Antonio Independent School District Internal Audit Department Charter**

### **PURPOSE**

The purpose of the Internal Audit Department (the Department) is to strengthen the District's ability to create, protect and sustain value by providing the board and management with independent, risk-based and objective assurance, advice, insight and foresight.

### **STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING**

The Department will govern itself by conforming to the mandatory elements of the Institute of Internal Auditor's International Professional Practices Framework which includes the Global Internal Audit Standards (Standards) and Topical Requirements.

In addition, the Department will adhere to SAISD's relevant policies, procedures and guidelines and the Department's standard operating procedures manual.

#### Authority

The Internal Audit Department is established by the SAISD Board of Trustees (hereafter referred to as the Board) as directed in the Texas Education Code Section 11.170. The Board authorizes the Internal Audit Department to:

- Have full, free, and unrestricted access to all SAISD functions, records, physical properties, and personnel relevant to the performance of any engagement or audit work.
- Have full and free access to the Board.
- Obtain the necessary assistance of personnel in areas of the District where audits or other work is performed.
- Anticipate management's timely response to information requests, audit responses and the implementation of corrective action plans.

#### Organizational Positioning

The Chief Internal Auditor (CIA) will report functionally to the Board, in the manner outlined in the Audit Committee Charter, and administratively to the Superintendent.

The Audit Committee will:

- Review the Internal Audit Charter annually and if necessary, recommend any changes to the Board for approval.
- Review and recommend the approval of the risk based internal audit plan and any major changes to the plan.
- Review and set the internal audit budget and resource plan and recommend the inclusion of the internal audit budget in the district's annual budget.
- Receive communications from the CIA on the Department's performance relative to the audit plan and performance objectives.
- Accept internal audit reports presented to the committee and at its discretion bring matters to the Board for review and possible action.

- Make recommendations regarding the appointment, dismissal, and compensation of the CIA.
- Make appropriate inquiries of management and the CIA to determine whether there is inappropriate scope or resource limitations.

The Chief Internal Auditor will communicate and interact directly with the Audit Committee and the Board periodically, including in closed sessions and between Audit Committee meetings as needed.

### Independence and Objectivity

The Department will remain free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, or report content. If the CIA determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to the Audit Committee.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any activity that may impair their judgement.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being audited and shall not be unduly influenced by their own interests or by others in forming judgments.

At least annually, the Chief Internal Auditor will confirm to the Audit Committee the organizational independence of the Department.

### Scope of Work

The scope of work of the Internal Audit Department is to determine whether the district's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks relating to the achievement of SAISD's strategic goals and objectives are appropriately identified and managed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions comply with policies, procedures, and applicable laws, regulations, and governance standards.
- Resources are acquired economically, used efficiently, and adequately protected
- Programs, plans, and objectives are achieved and carried out effectively and efficiently.
- Quality and continuous improvement are fostered in the district's control processes.
- Significant legislative or regulatory issues impacting the district are recognized and addressed properly.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during audits engagements. They will be communicated to the appropriate level of management and the Audit Committee.

### Accountability

The Chief Internal Auditor, in the discharge of his or her duties, will be accountable to the Board and senior management to:

- Provide annually an assessment of the adequacy and effectiveness of the district's processes for controlling its activities and managing its risks in the areas set forth under the scope of work.
- Report significant issues related to the processes for controlling the activities of the district, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Provide information periodically on the status and results of the annual audit plan and the sufficiency of department resources.

### Responsibility

The Chief Internal Auditor and staff of the Internal Audit Department have the responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Board for approval.
- Implement the annual audit plan as approved, including, any special projects requested by management and the Board.
- Establish a quality assurance improvement program that covers all aspects of the internal audit function and for which the Chief Internal Auditor communicates the results to management and the Board.
- Provide a list of significant measurement goals and results to the Audit Committee and the Board.
- Maintain a professional internal audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirement of this charter.
- Issue periodic audit reports to district management, the Audit Committee and the Board summarizing results of audit activities and recommendations.
- Follow up on audit recommendations and corrective action plans and report periodically to senior management, the Audit Committee and the Board any corrective action plans not effectively implemented.
- Perform advisory services, beyond the department's assurance services, to assist management in meeting its objectives.
- Maintain and manage the Fraud Hotline; assist in the investigation of suspected fraudulent activities within the District and notify management, the Audit Committee, and the Board of the results.
- Keep the Board informed of emerging trends and successful practices in internal auditing.