



SAN ANTONIO INDEPENDENT SCHOOL DISTRICT *INTERNAL AUDIT DEPARTMENT CHARTER*

Purpose and Mission

The purpose of the San Antonio Independent School District's Internal Audit Department is to provide independent and objective assurance and consulting services designed to add value and improve the district's operations. The mission of internal auditing is to enhance and protect the organizational value by providing risk-based and objective assurance, advice and insight. The Internal Audit Department helps the San Antonio Independent School District (SAISD) accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Standards for the Professional Practice of Internal Auditing

The internal audit department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The chief internal auditor will report periodically to senior management and the Board of Trustees (Board) regarding the internal audit department's conformance to the Code of Ethics and *Standards*.

In addition, the internal audit department will adhere to SAISD's board policies, administrative procedures and guidelines, as well as the internal audit department's operating procedures manual.

Authority

The chief internal auditor will report functionally to the Board and administratively to the Superintendent. To establish, maintain, and assure that SAISD's internal audit department has sufficient authority to fulfill its duties, the Board will:

- Approve the internal audit department's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit department's budget, including without limitation, necessary staffing, resource plan, and compensation of the chief internal auditor.
- Receive communications from the chief internal auditor on the internal audit department's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the chief internal auditor.

- Make appropriate inquiries of management and the chief internal auditor to determine whether there is inappropriate scope or resource limitations.

The chief internal auditor will have unrestricted access to, and communicate and interact directly with, the Board, including in executive sessions, when necessary, without management being present.

The Board authorizes the internal audit department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select audit subject, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of SAISD, as well as other specialized services from within or outside SAISD, in order to complete the engagement.

Independence and Objectivity

The chief internal auditor will ensure that the internal audit department remains 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, and report content. If the chief internal auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.

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

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for SAISD.
- Initiating or approving transactions external to the internal audit department.
- Directing the activities of any SAISD employee not employed by the internal audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the chief internal auditor has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The chief internal auditor will confirm to the Board, at least annually, the organizational independence of the internal audit department.

The chief internal auditor will disclose to the Board any interference and related implications in determining the scope of internal auditing, performing work, an/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, management, and appropriate third parties on the adequacy and effectiveness of governance, risk management, and control processes for SAISD. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of SAISD's strategic objectives are appropriately identified and managed.
- The actions of SAISD's, employees, and contractors are in compliance with SAISD's policies, procedures, and applicable laws, regulations and governance standards.
- The results of operations or programs are consistent with established goals and objectives and are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact SAISD.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The chief internal auditor will report periodically to senior management and the Board regarding:

- The internal audit department's purpose, authority, and responsibility.
- The internal audit department's plan and performance relative to its plan.
- The internal audit department's conformance or intent to conform with The IIA's Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to SAISD.

The chief internal auditor also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit department may perform advisory and related consulting activities for SAISD, the nature and scope of which will be agreed on by the Board, provided the internal audit department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management and the Board.

Responsibility

The chief internal auditor has the responsibility to:

- Submit, at least annually, to senior management and the Board a risk-based internal audit plan for review and approval.
- Communicate to senior management and the Board the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in SAISD's business, risks, operations, programs, systems, and controls.
- Communicate to senior management and the Board any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact SAISD are considered and communicated to senior management and the Board as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
- Ensure adherence to SAISD's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Board.
- Ensure conformance of the internal audit department with the *Standards*, with the following qualifications:


- If the internal audit department is prohibited by law or regulation from conformance with certain parts of the *Standards*, the chief internal auditor will ensure appropriate disclosures and will ensure conformance with all other parts of the *Standards*.
- If the *Standards* are used in conjunction with requirements issued by other authoritative bodies, the chief internal auditor will ensure that the internal audit department conforms with the *Standards*, even if the internal audit department also conforms with the more restrictive requirements of other authoritative bodies.

Quality Assurance and Improvement Program

The internal audit department will maintain a quality assurance and improvement program that covers all aspects of the internal audit department. The program will include an evaluation of the internal audit department's conformance or its intent to conform with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit department and identify opportunities for improvement.

The chief internal auditor will communicate to senior management and the Board on the internal audit department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside San Antonio Independent School District.

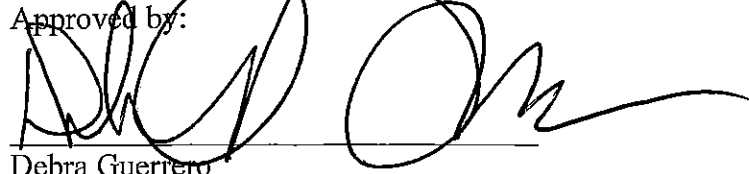
Submitted by:



Lourdes G. Martinez, CPA

Chief Internal Auditor

Approved by:

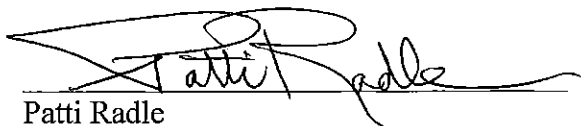


Debra Guerrero

Finance & Audit Committee Chair

1/14/2019
Date

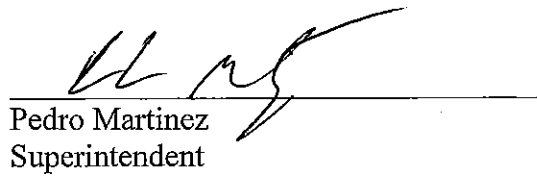
1/14/2019
Date



Patti Radle

President, Board of Trustees

1/14/19
Date



Pedro Martinez
Superintendent

1/14/19
Date