

San Antonio Independent School District

Internal Audit Department Charter

The Internal Audit Charter establishes the Internal Audit Department's position within the San Antonio Independent School District (SAISD); authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of work of the Department.

PURPOSE

The purpose of the Internal Audit Department (the Department) is to provide independent, objective assurance, and advisory activity guided by a philosophy of adding value to improve the operations of the district. It assists SAISD in accomplishing its objectives by providing guidance and recommendations to improve the effectiveness of the district's risk management, internal control, and governance processes.

ROLE

The Internal Audit Department (the Department) is established by the SAISD Board of Trustees (hereafter referred to as the Board) as directed by the Texas Education Code Section 11.170. The Department's responsibilities are defined by the Board as part of their oversight role.

Professionalism

The Department will govern itself by adherence to the Institute of Internal Auditors' mandatory elements including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and evaluating the effectiveness of the Department's performance.

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

Authority

The Board authorizes the Internal Audit Department, with strict accountability for confidentiality and safeguarding of records, full, free, and unrestricted access to all SAISD functions, records, physical properties, and personnel pertinent to carrying out any engagement. All necessary personnel are required to assist the Department in fulfilling its role and responsibilities. The Department will also have free and unrestricted access to the Board.

Organization

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 and recommend the approval of the Internal Audit Charter
- 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 its inclusion in the district's annual budget
- Receive communications from the CIA on the Department's performance relative to its plan and other matters
- 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, including in closed sessions and between Audit Committee meetings as appropriate.

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' and contractors' 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 a report of the Department's activities and an assessment of the adequacy and effectiveness of the district's control processes and risk management of the areas audited.
- 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 as deemed necessary
- 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 consulting services, beyond the department's assurance services, to assist management in meeting its objectives (examples may include advisory services, control self-assessment, and training)
- Maintain and manage the Fraud Hotline and 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

Quality Assurance and Improvement Program

The CIA will develop and maintain a quality assurance and improvement program that covers all aspects of the Department. The program will include an evaluation of the Department's conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the Department and identifies opportunities for improvement.

The CIA will communicate to senior management and the Audit Committee on the Department's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

Submitted by:



Lourdes G. Martinez
Chief Internal Auditor

02/28/2023
Date

Approved by:



Christina Martinez
President Board of Trustees

5/15/2023
Date



Dr. Jaime Aquino
Superintendent

05/25/2023
Date