

School District #62 (Sooke)

INTERNAL AUDIT	No.: F-336
	Effective: Revised: Reviewed: Apr. 24/18

SCHOOL BOARD POLICY

The purpose of the internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the Board of Education's (the "Board") operations. It helps the Board accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Professionalism

The internal auditor will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, 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 for evaluating the effectiveness of the internal auditor's performance.

Authority

The internal auditor with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the board of education's records, physical properties and personnel pertinent to carrying out any engagement. All Board employees are requested to assist the internal auditor in fulfilling its responsibilities. The internal auditor will also have free and unrestricted access to Board management and to the Audit Committee.

Organization

The internal audit function will report functionally to the Audit Committee and be administratively supported by senior management. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

The Audit Committee will, for the Board:

- Approve the internal audit mandate.
- Recommend for approval by the Board the risk-based internal audit plan.
- Receive information from the Internal Auditor about the internal audit activity performance to plan and other relevant matters.
- Inquire of the Internal Auditor and the Secretary Treasurer whether there are resource or scoping limitations.
- Review annually the performance of the internal audit activity and provide the Board with their comments regarding the performance of Internal Auditor.

The Internal Auditor will interact directly with the Audit Committee, including in-camera sessions and between Audit Committee meetings as appropriate.

Independence and Objectivity

The internal auditor will remain free from interference by any Board staff or trustee including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

The internal auditor 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 other activity that may impair judgment.

The internal auditor will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. The internal auditor will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Internal Auditor will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

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ADMINISTRATIVE REGULATIONS

Responsibility

The scope of work of the Internal Auditor encompasses, but is not limited to:

- Evaluating risk exposure relating to the achievement of the Board's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information.
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the Board.
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected.
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned.
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee or management as appropriate.
- Evaluating the effectiveness of the Board's risk management and governance processes.
- Reporting periodically on the internal audit performance against plans.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee.

Internal Audit Plan

Annually, the Internal Auditor will submit to Management and to the Audit Committee an internal audit plan for recommendation to the Board for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit areas using a risk-based methodology which includes input of Management. The Internal Auditor will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Internal Auditor or any of his or her team may initiate and conduct any other audit or review deemed necessary for potentially illegal acts, fraud, abuse or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas, except when conditions warrant an unannounced audit.

Reporting and Monitoring

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Internal Auditor at the conclusion of each audit and will be distributed according to the school board's requirements.

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. Management will provide action plans and timelines to address each opportunity (observation). Significant observations will remain in an open issue status until cleared.

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