

BEAUMONT ISD

INTERNAL AUDIT CHARTER

GENERAL PURPOSE AND OBJECTIVES

Internal auditing is an independent, objective assurance and consulting function established within the Beaumont Independent School District (BISD) to examine and evaluate its activities as a service to the district. The department is an integral part of the organization and functions under the policies established by the Board of Trustees and Administration. Its objective is to assist the Board and Administration by providing them with analyses, recommendations, counsel, and information concerning the activities reviewed and by promoting effective risk management, internal controls, and governance processes.

AUTHORIZATION AND RESPONSIBILITIES

The Board of Trustees establishes the internal audit department and its responsibilities. The Board and the Superintendent authorize full and complete access to any and all of the BISD records (manual and electronic), physical properties, functions, and personnel relevant to a review. District Administration does not place any restrictions on the scope of any audit conducted by the Internal Audit Department.

The Director of Internal Audit reports directly to the Board of Trustees pursuant to Board Policy DC (Legal). Internal auditors have no direct responsibility or any authority over any of the activities or operations they review.

All internal auditing endeavors are to be conducted in compliance with the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing as set forth by the Institute of Internal Auditors, Inc.

The Director of Internal Audit will submit a confidential annual audit plan to the Board of Trustees for review and approval. The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology. Any significant deviation from the approved internal audit plan will be communicated to the Board through periodic activity reports.

The Director of Internal Audit will periodically report to the Board on internal audit activities as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks and governance issues.

Internal audit will communicate the results of each audit to the Board of Trustees to include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans. Internal audit will establish and maintain a system to monitor the disposition of audit findings.

AUDIT SCOPE

The scope of internal auditing encompasses (1) the examination and evaluation of the adequacy and effectiveness of BISD's risk management, internal control, and governance systems and (2) the quality of performance in carrying out assigned responsibilities. It includes but is not limited to:

- Reviewing and appraising the soundness of controls and the reliability and integrity of financial, managerial, and operating information.
- Reviewing the systems established to ensure compliance with district policies, plans, procedures, laws, and regulations.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing and appraising the economy and efficiency with which resources are employed.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the district's risk management processes.
- Reporting significant risk exposures and control issues, including fraud risks, and governance issues to the Board of Trustees and Administration.
- Conducting special reviews as needed or requested by the board.

Approved:



Dr. James Simmons
President, Board of Trustees

04/28/2015

Date