

INTERNAL AUDIT

V.I. Department of Education's
Office of Internal Audit Charter

Office of Internal Audit



THE VIRGIN ISLANDS DEPARTMENT OF
EDUCATION



Purpose and Mission Statement

The purpose of the Virgin Islands Department of Education (VIDE) Division of Internal Audit (IA) is to provide independent, objective assurance¹ and consulting² services designed to add value and improve the operations of VIDE.

The mission of IA is to enhance and protect VIDE's organizational value by providing risk-based and objective assurance, advice, and insight. IA helps VIDE accomplish its objectives by bringing a systematic, disciplined approach to evaluate and contribute to the effectiveness of risk management, control, and governance processes. IA will conduct operational, financial, and performance audits, which will be selected based on the results of a rigorous risk identification and risk assessment process.

Audit Professional Standards

The IA Division will govern itself by adherence to

- The mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including its Standards, Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, and Code of Ethics.
- Government Auditing Standards by the U.S. Government Accountability Office (GAO)
- Standards for Internal Control in the Federal Government by the U.S. GAO

¹ Assurance services involve an objective assessment of evidence for the purpose of providing an independent opinion or conclusions regarding an entity, operation, function, process, system, or other subject matter. Examples may include financial, performance, compliance, system security and due diligence engagements. (Source: International Standards for Professional Practice of Internal Auditing ("IIA Standards"))

² Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. The nature and scope of which are also agreed upon with the client and which are intended to add value and improve an organization's operations. Examples include counsel, advice, facilitation, process design, and training. (Source: IIA Standards)



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Relationship

Though the IA Division shall have an independent status within VIDE, IA shall interact with and complement other areas to promote improvement. Specifically, IA shall:

- Ensure it coordinates activities with all known external and internal reviews, evaluations and/or investigation activities within the VIDE to maximize audit coverage; and
- Liaise with the external auditors and ensure that the audit programs are complementary; and
- Relate to professional organizations and bodies to keep abreast of advances in internal audit practices.

Authority

VIDE's Commissioner (or governing body) will establish, maintain, and assure that the internal audit activity has sufficient authority to fulfill its duties by:

- Approving the internal audit charter.
- Approving a timely, risk-based, and agile internal audit plan.
- Approving the internal audit budget and resource plan.
- Receiving timely communications from the Internal Audit Director (IAD) on performance relative to its internal audit plan.
- Actively participating in discussions about and ultimately approving decisions regarding the appointment and removal of the IAD.
 - o The Commissioner of VIDE, with the Governor's approval, appoints the IAD.
- Actively taking part in discussions about and ultimately approving the remuneration of the IAD.
- Making appropriate inquiries of Management and the IAD to determine if there are any inappropriate scope or resource limitations.
- Developing and approving an authorization that the IAD will have unrestricted access to, and communicate directly with, the Commissioner without Management present.



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- Developing and approving an authorization that the activity will have 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.
 - o Allocating resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
 - o Getting the necessary assistance of personnel within the respective departments of the VIDE where they perform audits, and other specialized services from within or outside of VIDE.

Accountability

IA shall be accountable to VIDE's Commissioner to:

- Provide an annual assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of IA's work.
- Report on the controls over VIDE's assets, program implementation, various resources, financial management, information technology and other areas, as needed.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit), as needed.
- When appropriate, IA may refer findings to other authorities such as the Virgin Islands Inspector General Office for further investigation.

Independence and Objectivity

The Commissioner and the IAD will ensure the IA Division remains free from all conditions that threaten the ability of IA staff to carry out their responsibilities in an unbiased manner, including matters of selecting the audit scope, procedures, frequency, timing, and report content. If independence or objectivity is impaired in fact or appearance, the IAD will disclose the details of the impairment to the appropriate parties.



The IAD and IA staff are not authorized to:

- Perform any operational duties for VIDE.
- Initiate or approve accounting transactions external to IA.
- Direct the activities of any VIDE employee not within the IA.
- Assess specific operations for which they were responsible. Objectivity is presumed to be impaired if an auditor provides assurance services for an activity for which the auditor had responsibility within the previous year.³

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 IAD will confirm to the Commissioner of VIDE, at least annually, the organizational independence of the IA Division.

Scope of Internal Audit Activities

The scope of the IA activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments on the design, adequacy, and effectiveness of VIDE's governance, risk management and control processes. This is done to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance and stakeholder groups occurs as needed.
- Significant financial, managerial, regulatory, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, adequately protected, and are used for their intended purposes.
- Programs, plans, and objectives are achieved.
- Compliance with laws, regulations and policies are adhered to.

³ IIA Standard – 1130.A1



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- Quality and continuous improvement are fostered in the VIDE's control process.
- Significant legislative or regulatory issues impacting the VIDE are recognized and addressed appropriately.

Responsibility

The IAD will examine and evaluate the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. The IAD shall:

- Develop audit plans, at a minimum, annually.
- Communicate with the Commissioner of VIDE the impact of resource limitations on the plan.
- Ensure the internal audit activity has access to appropriate resources with regard to competency and skill.
- Ensure trends and emerging issues that could impact VIDE are considered and communicated to senior management as appropriate.
- Manage the activity appropriately for it to fulfill its mandate.
- Plan, implement, and report the audit activities performed by the internal auditors.
- Ensure conformance with the IIA Standards.
- Communicate to the Commissioner the results of audit work and follow up on agreed corrective actions.
- Coordinate with other assurance providers.

Other Projects

In addition to the IAD's mandates and risk-based audits, the following services can be provided:

- Audit Plan Execution
- Risk Management
- SOP Compliance Testing
- Investigative Reviews
- Internal Controls Assessment
- Consulting
- Research & Advisory
- External Audit Management



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Referrals

When appropriate, the IA Division may refer findings to other authorities, such as the Virgin Islands Inspector General Office for further investigation and the U.S. Department of Education Office of Inspector General, or both.

Quality Assurance and Improvement Program

The IA Division will maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit activity⁴. The program will include an evaluation of IA's conformance with the IIA Standards. The program also assesses the efficiency and effectiveness of the Internal Audit Division and identifies opportunities for improvement.

The Director of Internal Audit will communicate to the Commissioner of VIDE on IA's QAIP, including results of ongoing internal assessments and external assessments conducted at least every five years.

⁴ IIA Standard – 1300-1301: Quality Assurance and Improvement Program



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Roseann Mondy

Roseann Mondy
Director of Internal Audit

1/29/2021

Date

Racquel Berry-Benjamin

2/17/2021
Racquel Berry-Benjamin
Commissioner

2/17/2021

Date

VERSION CONTROL

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