

## **Internal Audit**

It is the policy of the Governing Board to provide an internal auditing activity as a means of supplying management personnel at all levels with information to control the operations of which they are responsible.

Internal auditing is an independent appraisal activity established within the district to examine and evaluate its activities. The objectives of internal auditing are to assist members of the district in the effective discharge of their responsibilities by furnishing them with appraisals, recommendations, counsel, and information concerning the activities reviewed and by promoting effective control at a reasonable cost.

The internal audit department is established by the Board, and its responsibilities are defined by the audit committee of the Board. The internal auditor will report administratively to the Superintendent and/or designee and functionally to the audit committee of the Board.

Authorization is granted for full and complete access to any of the district's records, physical properties, and personnel relevant to a review. Documents and information given to the internal auditor during a review will be handled in the same prudent manner as by those employees normally accountable for them.

The internal auditor has no direct responsibility or any authority over any of the activities or operations reviewed. The internal auditor should not develop and install procedures, prepare records, or engage in activities which would normally be reviewed by internal auditors. The internal auditor may monitor the development of new procedures and provide recommendations when necessary.

Recommendations on standards of control to apply to a specific activity may be included in the written report of audit findings and opinions which is given to the Superintendent and operating management for review and implementation.

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the district's system of internal control and the quality of performance in carrying out assigned responsibilities. It includes:

1. Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports on whether the organization is in compliance.
3. Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
4. Reviewing and appraising the economy and efficiency with which resources are employed.

5. Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.

A written report will be prepared and issued following the conclusion of each audit, or earlier if and when significant internal control weaknesses are identified, and will be distributed as appropriate. A copy of the draft report will be forwarded to the Superintendent, and/or designee and all members of the audit committee. The final audit report will be distributed to the Board, the audit committee, the Superintendent, and/or designee, the auditee and immediate supervisor. In addition, a status report that outlines audit activities and significant audit issues will be provided to the audit committee on a quarterly basis.

The individual responsible for the activity or department receiving the internal audit report will respond in 30 days. The response is to be addressed to the Superintendent and/or designee. This response will indicate what actions were taken in regards to the specific findings and recommendations in the internal audit report.

Policy FRESNO UNIFIED SCHOOL DISTRICT

adopted: November 29, 1979 Fresno, California

revised: January 11, 1996

revised: February 12, 1998