

Administrative Exhibit DID-E
DeKalb County School District (DCSD) Internal Audit Charter

I. Purpose and Scope

Internal auditing at the DeKalb County School District (DCSD) is an independent appraisal activity established to examine and evaluate the activities of the School District as a service to management and the Board of Education. The Office of Internal Audits and Compliance helps the School District achieve its mission by providing objective and independent evaluations to reduce risk and improve operations. Internal audit is one of two functions in the office, the other being compliance. Internal auditors assist management in effectively carrying out their duties and responsibilities by examining financial and operational internal control systems, including administrative information systems, to evaluate the extent that:

- A. Financial, property, and information assets are safeguarded,
- B. Information is accurate and reliable,
- C. DeKalb County School District (DCSD) operates in compliance with Board of Education policies, professional standards, and local, state, and federal laws and regulations,
- D. Internal controls are in place to mitigate District risk of loss or liability,
- E. District resources are deployed efficiently and equitably, and
- F. District operations and financial management are executed in accordance with approved plans and budgets, which shall be consistent with DeKalb County School District objectives.

II. Role of Internal Audit & Compliance

The Government Accountability Office defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. This function helps an organization accomplish its objectives by bringing a systematic, data-driven, and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and both operational and governance processes.

The Internal Audit activity within the DeKalb County School District exists under the authority of the DeKalb County Board of Education and is accountable to the Board's Audit Committee for the execution of the District's Annual Internal Audit Plan and Schedule. The Internal Audit oversight is defined by the Board of Education. Internal Audit shall also report all appropriate audit issues to District administration for intervention and implementation of corrective measures.

III. Internal Audit Standards

In accordance with mandatory guidance prescribed by the Institute of Internal Auditors International Professional Practices Framework (IPPF), Internal Audits & Compliance adheres to Generally Accepted Government Auditing Standards (GAGAS) promulgated by the AICPA, Government Auditing Standards (“the Yellow Book”), promulgated by the Government Accountability Office (GAO) and the Comptroller General of the United States, and the COSO Internal Control Framework. Other guidance includes the Georgia Department of Education Manual for Local Units of Administration, the DeKalb County Local School Accounting Handbook, and other financial and operational standards issued by the DeKalb County Superintendent of Schools and/or designees.

IV. Authority and Responsibility

Internal auditors shall be authorized full and complete access to all DeKalb County School District records (either physical or digital/electronic), physical properties, and personnel relevant to any audit, review, inquiry, or investigation. The corresponding responsibility of internal auditors is to handle documents and information obtained during a review in the same prudent manner as by those employees normally responsible for them.

Internal auditing provides assurance, consulting, and management advisory services. Assurance services include reviewing the adequacy or effectiveness of governance, risk management, and controls. Consulting services include reviewing for efficiency or effectiveness to assist management with improvements to operations or advising management on a variety of topics, such as development of compliant procedures or best practices and monitoring deployment processes. The auditing activity also provides management advisory services such as training, planning or oversight committee participation, and assisting with coordinating projects. In fulfilling their responsibilities, internal auditors will:

- A. Provide audit reports that identify internal control issues (among others) and make cost-effective recommendations to strengthen controls,
- B. Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability,
- C. Investigate allegations involving theft or misuse of school district assets,
- D. Suggest new or revised policies and procedures where appropriate, and
- E. Maintain a quality and assurance improvement program, consistent with Government Accounting Standards (GAO “yellow book”) to ensure the effectiveness and quality of the Internal Audit function.

The Internal Audit function has no direct responsibility or authority over any of the operating activities being examined, and their assurance or consultative projects shall

not relieve management of their responsibilities. Furthermore, Internal Auditor direct engagement in implementing procedures, preparing operational records, authoring or revising management reports, or engaging in any staff and management activities that internal auditors would normally review, assess, or investigate compromises the independence of the Internal Audit function and shall be avoided.

V. Independence and Objectivity

The Internal Audit activity will remain free from interference by any elements within the organization, particularly on matters of audit selection, scope, procedures, frequency, timing, or report content in order to maintain an independent and objective approach to all assurance, consulting, and investigation activity.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

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

VI. Organization

The Chief Audit Executive (CAE) shall report administratively to the DeKalb County School District Chief of Staff with supporting functional responsibilities to the Audit Committee of the DeKalb County Board of Education. Internal auditors may attend senior-level staff meetings and serve on various District committees when requested. Their role at such meetings shall be limited to rendering advice and staying abreast of strategic plans, governance matters, and risk issues.

The Audit Committee of the DeKalb County Board of Education will:

- A. Approve the internal audit charter
- B. Approve the risk based internal audit plan
- C. Approve the internal audit budget and resource plan
- D. Receive communications from the Director of Audits and Compliance on the Internal Audit activity's performance relative to its plan and other matters.

VII. Reporting and Monitoring

Following the conclusion of each internal audit engagement, a written report will be prepared and issued by the Chief Audit Executive or designee, who will distribute as appropriate. Internal audit results will also be communicated to the Audit Committee.

Internal audit reports shall include management's responses and corrective actions for specific findings and recommendations. Management's responses shall include a timetable for corrective actions and any necessary acknowledgements of accepted risks.

The internal audit will be responsible for monitoring the progress and effectiveness of corrective actions implemented.

VIII. Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the Internal Audit activity. The program will include an evaluation of the Internal Audit activity's conformance to the International Professional Practices Framework (IPPF), adherence to all adopted Standards and compliance to the IIA Code of Ethics. The program also assesses the efficiency and effectiveness of the internal activity and identifies opportunities for improvement.