

## **POLICY #4150**

### **INTERNAL AUDIT**

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#### **1. INTENT**

- 1.1. The Surrey Board of Education believes that internal audit contributes significantly to improving the way the school district operates and helps senior management to achieve board and district objectives.
- 1.2. The internal audit function is established to conduct independent audits and examinations that provide objective information, advice and assurance to the board and senior management. Internal audit will promote accountability and best practices in school district operations.

#### **2. SCOPE**

- 2.1. Internal audit has two primary tasks. The first is to review and independently assess the management practices associated with the school district's key financial, administrative and operational activities. The second is to recommend to senior management and the board where improvements can be made.
- 2.2. The scope of internal audits may include assessing whether:
  - a) Transactions and activities comply with applicable statutes and board policy and regulations.
  - b) Assets are sufficiently safeguarded.
  - c) Money has been expended with due regard to economy and efficiency.
  - d) Satisfactory procedures have been established to measure and report the effectiveness of programs and activities.

#### **3. OBJECTIVITY**

- 3.1. While the Internal Audit Department is an integral department of the school district, and functions according to policies established by the board and administered by senior management, independence is essential. To support independence of the audit function:
  - a) The internal auditor reports to the superintendent of schools through the secretary-treasurer.

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- b) The internal auditor has direct access to the board.
- c) The internal auditor has direct communication to the external auditor.
- d) The appointment of the internal auditor cannot be changed without the concurrence of the board.

3.2. It is essential for the internal auditor to be independent of the activities audited. Staff of the internal audit department should not perform line duties in any area which has been or could be subject to their review. When such incompatible duties are performed, the circumstances should be disclosed to the secretary-treasurer, the superintendent of schools and the board.

### **4. ACCESS TO INFORMATION**

4.1. The internal auditor is entitled to free access at all convenient times to information that relates to the fulfillment of his/her responsibilities. He/she is also entitled to require and receive from employees of the school district such information, reports and explanations he/she deems necessary for that purpose.

### **5. REPORTING**

5.1. The internal auditor shall report at least annually to the board on the work of his/her department and on whether, in carrying on the work of the department, he/she received all the information and explanations required.

5.2. Each report of the internal auditor shall call attention to anything he/she considers to be of significance and of a nature that should be brought to the attention of the board.

*Approved:* 1999-07-08