

Number: **BP 039**

Related Admin. Procedure AP 039
Authority: Board of Directors
Effective: May 2, 2019
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Initiating Dept./Div.: Administration/Internal Audit



BOARD POLICY

INTERNAL AUDIT FUNCTION

PURPOSE

The purpose of this policy is to establish an Internal Audit function within Central San as part of the framework for monitoring the ongoing effectiveness of internal controls.

POLICY

The Board of Directors supports establishment and maintenance of an Internal Audit function to assist management in fulfilling its mission.

1. Authority

The Internal Audit function shall report administratively to the General Manager and functionally to the Board of Directors.

In accordance with the due date assigned by the Internal Auditor, timely cooperation shall be afforded by staff in the execution of internal audits approved by the Board and/or the General Manager. Documentation shall be made available to the Internal Auditor as requested, in furtherance of the aforementioned objective.

2. Independence and Objectivity

Internal auditors will have no direct operational responsibility or authority over any activities audited, nor engage in activities that may impair their judgment. Any impairment in fact or appearance will be disclosed by Internal Audit to the Board.

3. Responsibility

The Internal Audit function shall

- Present an annual audit plan to the General Manager and Board of Directors.
- Present each internal audit report to the General Manager and Board Committee having jurisdiction over the subject matter of the audit, and subsequently to the Board.

[Original retained by the Secretary of the District]