Board of Education of Baltimore County
Office of Internal Audit Charter

Purpose
The Board of Education of Baltimore County (Board) has established the Office of Internal Audit (Internal Audit) as an independent office that reports directly to the Board. The primary objectives of Internal Audit are to:

a) assist the Board in effectively discharging its duties and responsibilities for the oversight of the management of Baltimore County Public Schools (BCPS), and
b) assist BCPS in accomplishing its objectives by the application of a systematic and disciplined approach to evaluate and improve the effectiveness of BCPS governance, risk management, and internal control.

Role
a) Internal Audit shall complete audits of BCPS and investigate reports of fraud, waste, and abuse.
b) Internal Audit shall furnish the Board and the Superintendent with analyses, recommendations, counsel, and information about the activities audited, reviewed, and investigated.
c) Internal Audit shall also facilitate and support any audit processes and assist external auditors to the extent required by the federal, state, and local authorities and the Board.
d) Internal Audit may conduct unplanned audits requested by the Board or the Superintendent that are not currently part of the approved work plan.

Professionalism
a) Internal Audit will govern itself by adherence to applicable professional standards and guidance as well as applicable professional certification requirements.
b) Internal Audit will adhere to relevant Board policies, Superintendent rules and Internal Audit standard operating procedures.
c) All Internal Audit employees are responsible to respect the value and ownership of the information they receive and do not disclose such information without appropriate authority unless there is a legal or professional obligation to do so.

Authority
The authority of Internal Audit is established in Board policy 8400. With strict accountability for confidentiality and safeguarding records and information, and in accordance with policy 8400, Internal Audit is authorized full, free, and unrestricted access to:

a) all BCPS schools, offices, records, including personnel records, documents, and files in any form.
b) request assistance and receive full cooperation from appropriate BCPS personnel to obtain the information listed in item “a” above.
c) interview Board members, the Superintendent, and all BCPS employees and staff to obtain information pursuant to all audit activities and investigations.
d) inspect all BCPS assets, property and facilities owned, leased, or borrowed by BCPS.
e) request assistance from appropriate personnel to locate assets, property, and facilities.
Organization
a) The Chief Auditor reports directly to the Board.
b) Internal Audit staff reports to the Chief Auditor.
c) The Chief Auditor has unrestricted access to the Board and the Superintendent.
d) To ensure independence and objectivity, Board approval is required for the hiring, removal, or replacement of the Chief Auditor and Assistant Chief Auditor.
e) The Chief Auditor will be responsible to recommend the hiring, removal, or replacement of Office of Internal Audit staff, in accordance with existing Department of Human Resources policy and procedures.
f) The Chief Auditor and the Superintendent shall sign the employment contracts of Internal Audit staff. These contracts will be reviewed at least 90 days prior to the contract renewal date.
g) The Board shall be responsible for annually evaluating the Chief Auditor.
h) The Chief Auditor shall be responsible for the completion of the evaluation of the Assistant Chief Auditor and Audit Managers and shall participate in the evaluation of other Office of Internal Audit staff, in accordance with existing Department of Human Resources policy and procedures.

Independence
a) Internal Audit will remain free from interference by any element in the organization related to matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of required independence and objectivity.
b) Internal Audit shall always maintain its independence and objectivity and avoid conflicts of interest. In the performance of duties, no member of Internal Audit shall have any direct responsibility or authority over any of the activities audited. Internal Audit shall not draft or implement procedures, prepare records, or engage in any activity that it would normally review or evaluate that could be construed as compromising its independence and objectivity. However, such objectivity shall not be considered as compromised when Internal Audit recommends standards for internal controls, recommendations to modify or change existing policies, administrative procedures, labor agreement provisions, policy, rules, procedures, and practices.
c) Internal Audit staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process under examination. Internal Audit staff will make a balanced assessment of all relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Internal Audit Plan
a) The Chief Auditor will submit the Internal Audit work plan for review and approval to the Board Audit Committee annually.
b) The work plan shall consist of planned audit activities as well as budget and resource requirements for the fiscal year.
c) The Chief Auditor will monitor and adjust the plan, as needed, in response to changes in BCPS business, risks, operations, programs, systems, and controls.
d) Any significant deviation from the approved workplan will be communicated to the Audit Committee and executive management through periodic activity reports.
Scope of Work
The Board authorizes the Chief Auditor to complete a broad, comprehensive internal audit workplan that is reviewed and approved annually by the Board’s Audit Committee by June 30 of each fiscal year.

a) Internal Audit shall evaluate risk exposure relating to achievement of the organization’s strategic objectives.

b) Internal Audit shall evaluate the reliability and integrity of financial and operational information and the means to identify, measure, classify, and report such information.

c) Internal Audit shall determine whether BCPS staff is compliant with applicable laws and regulations, Board policies, Superintendent rules, and administrative procedures.

d) Internal Audit shall evaluate the security and accountability over BCPS assets and resources, and, as appropriate, verify the existence of such assets and resources.

e) Internal Audit shall recommend improvements to BCPS operations, programs, activities, and information systems to improve integrity, quality, efficiency, economy, and management in operations.

f) Internal Audit shall conduct follow up audits to ensure that management implements corrective action plans for internal and external audits.

g) Internal Audit shall conduct investigations of reported fraud, waste, and abuse in response to allegations received via the hotline and other methods of communication.

h) Internal Audit shall provide support to the Board to include the completion of unplanned audits as directed by the Board.

Reporting

a) Internal Audit shall prepare draft audit reports to provide to appropriate BCPS management at the conclusion of each audit.

b) Management shall be required to respond to the recommendations included in the draft audit report within seven to 15 business days as determined by the Chief Auditor. The response should include the actions management intends to implement to properly address each audit finding and recommendation, along with a timetable to complete such actions.

c) A final report that includes management’s response shall be issued to the Superintendent, executive management, and staff, as appropriate.

d) The Chief Auditor will inform the Superintendent or executive staff when management doesn’t provide a response.

e) Investigative unit reports will only be distributed to the Superintendent, General Counsel, the Chief Human Resource Officer, and the Chief Auditor. However, a copy of an investigation report will be provided to the appropriate external authorities in instances where federal, state, or local law appears to have been violated.

f) The Board shall have access to all audit reports.

g) The Board shall have access to investigatory reports once all employee appeals have been exhausted, as applicable.

h) Internal Audit shall provide quarterly summaries of significant audit findings and an update of corrective measures taken related to prior audit findings and recommendations to the Board and Superintendent.
i) Internal Audit shall provide a mid-year and year-end summary of work plan accomplishments to the Board and the Superintendent.