



# City of Jacksonville Office of Inspector General Internal Audit Charter



## **PURPOSE AND MISSION**

The purpose of Office of Inspector General's (OIG) Audit Unit is to provide independent, objective assurance and consulting services designed to add value and improve the City of Jacksonville's (COJ) operations. The Audit Unit's mission is to promote economy and efficiency, improve agency operations, and identify and prevent fraud, waste, and abuse within the COJ consolidated government. This is accomplished by using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, governance, and internal control processes.

## **STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING**

The Audit Unit will adhere to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The IIA's Framework constitutes the fundamental requirement for the professional practice of internal auditing and the principles against which to evaluate the Audit Unit's performance.

## **AUTHORITY**

The Audit Unit operates within the OIG under the authority of Jacksonville's Municipal Code Chapter 602. Pursuant to the Code, the Audit Unit shall have full and unrestricted access to all COJ records, its officials and employees, contractors, subcontractors, and other parties doing business with COJ, or receiving COJ funds. As such, these parties shall cooperate with the Audit Unit by providing testimonial and documentary evidence as requested. The Audit Unit will safeguard any requested assets and keep information confidential to the extent allowable by Florida and Jacksonville's public records laws.

## **ORGANIZATION AND REPORTING STRUCTURE**

The Audit Director will report to the Inspector General (IG). To establish, maintain, and assure that the Audit Unit has sufficient ability to fulfill its duties, the IG will:

- Approve the Audit Unit's charter.
- Approve the annual risk-based internal audit plan.
- Receive communications from the Audit Director on the Audit Unit's performance.
- Authorize the Audit Unit to allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.

## **INDEPENDENCE AND OBJECTIVITY**

The Audit Director will ensure that the Audit Unit remains free from all conditions that threaten the internal auditors' ability to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Audit Director determines that independence or objectivity may be impaired, in fact or appearance, the details of impairment will be disclosed to appropriate parties. The Audit Director will confirm to the IG, at least annually, the organizational independence of the Audit Unit.

Internal auditors will maintain an unbiased mental attitude so that they can perform engagements objectively without any compromises in quality and without subordinating their judgment on audit matters to others. They must disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited, which includes implementing internal controls, developing procedures, installing systems, preparing records, or engaging in any other activity that may impair their judgment.

## **SCOPE OF INTERNAL AUDIT ACTIVITIES**

The Audit Unit's activities encompass, but is not limited to, objective examinations of evidence to provide independent assessments to the IG, COJ, and other stakeholders on the adequacy and effectiveness of COJ's governance, risk management, and internal control processes.

Internal audit assessments include evaluating whether:

- Risks related to COJ's strategic objectives are appropriately identified and managed.
- The actions of COJ's officers, directors, employees, and contractors comply with COJ's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Existing processes/systems enable compliance with policies, laws, and regulations.
- Information, and the means used to identify, measure, analyze, classify, and report such information, are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Audit Director will report to IG regarding:

- The Audit Unit's purpose, authority, and responsibility.
- The Audit Unit's plan and performance relative to that plan.
- The Audit Unit's conformance with the IIA's Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the IG.
- Results of audit engagements or other activities.
- Resource requirements.

The Audit Unit may perform advisory and other client service activities as agreed upon by the client, provided the Audit Unit does not assume management responsibility.

## **RESPONSIBILITIES**

The Audit Director has the responsibility to:

- Annually submit to the IG a risk-based internal audit plan for review and approval.
- Communicate to the IG the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary.
- Communicate to the IG any significant interim changes to the internal audit plan.
- Ensure the Audit Unit's resources are appropriately, sufficiently, and effectively deployed.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Provide final audit reports to the IG and other appropriate entities.
- Conduct follow-up activities, if appropriate, to determine if corrective action has been effectively implemented and report the status to the IG and other appropriate entities.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Audit Unit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the audit charter.
- Provide consulting services to improve agency operations as requested by agencies' management and approved by the IG.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Audit Unit.
- Ensure conformance of the Audit Unit with the *Standards*, unless prohibited by law, regulation, or circumstance; in which case, the Audit Director will ensure the non-compliance is disclosed and there is conformance with all other parts of the *Standards*.

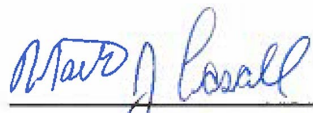
## QUALITY ASSURANCE AND IMPROVEMENT

The Audit Unit will create and maintain a quality assurance and improvement program that covers all aspects of the Audit Unit. The program will include an evaluation of the Audit Unit's conformance with the *Standards* and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The program will also assess the Audit Unit's efficiency and effectiveness and identify opportunities for improvement.

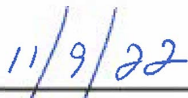
The Audit Director will communicate to the IG on the Audit Unit's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside of COJ.

## SIGNATURES AND DATES

Approved this 3<sup>TH</sup> day of NOVEMBER, 2022



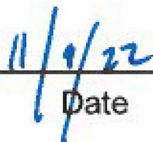
Matthew Lascell  
Inspector General



Date



David Johnston  
Director of Audit



Date