



JON J. P. FERNANDEZ
Superintendent of Education

**DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE**

500 Mariner Avenue, Barrigada, Guam 96913
Telephone: (671) 300-1336
Fax: (671) 472-5001
Email: iao@gdoe.net



**FRANKLIN
COOPER-NURSE**
Chief Internal Auditor

Internal Audit Charter

1. MISSION

The Guam Department of Education (GDOE)'s Internal Audit Office (IAO)'s mission is to provide an independent and objective assurance and consulting activity designed to add value and improve GDOE's operations.

2. PURPOSE

IAO assists GDOE accomplish its objectives using a systematic, disciplined approach to evaluate and improve the effectiveness of GDOE's risk management, control, and governance processes.

3. PROFESSIONALISM

IAO shall adhere to the Institute of Internal Auditors' (IIA) Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be used to guide operations as applicable.

In addition, IAO shall conduct its activities in accordance with the U.S. Government Accountability Office's Government Auditing Standards and Standards for Internal Control in the Federal Government, GDOE's policies and procedures, and applicable Government of Guam laws and regulations.

4. AUTHORITY

IAO, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of GDOE's manual or electronic records, physical properties, and personnel pertinent to carrying out any engagement. All GDOE employees are requested to assist the IAO in fulfilling its roles and responsibilities. IAO will also have free and unrestricted access to the Superintendent.

6041802
RECEIVED

5. ORGANIZATION

IAO is independent of all other departments within GDOE. IAO's Chief Auditor reports directly to the Superintendent.

The Chief Auditor will report functionally and administratively to the Superintendent. The Superintendent will:

- Approve the internal audit charter.
- Approve the risk based internal audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the Chief Auditor on the IAO's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Chief Auditor.
- Approve the remuneration of the Chief Auditor.
- Make appropriate inquiries of GDOE management and the Chief Auditor to determine whether there is inappropriate scope or resource limitations.

6. INDEPENDENCE AND OBJECTIVITY

IAO will remain free from interference by any element in GDOE, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

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

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

Any impairment to the independence or objectivity of the IAO, in fact or in appearance, should be disclosed to the Superintendent.

7. RESPONSIBILITIES

IAO's scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of GDOE's governance, risk management, and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve GDOE's stated goals and objectives.

This includes:

- Evaluating risk exposure relating to the achievement of GDOE's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on GDOE.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the GDOE's risk management processes.
- Performing consulting and advisory services related to governance, risk management, and controls as appropriate for GDOE.
- Reporting periodically on IAO's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Superintendent.
- Evaluating specific operations at the request of the Superintendent or management, as appropriate.
- Serve as the liaison between GDOE and external auditors.
- Perform any other assignments on behalf of the Superintendent.

8. INTERNAL AUDIT PLAN

At least annually, the Chief Auditor will submit to the Superintendent an internal audit plan for review and approval. The internal audit plan will consist of a work schedule, and budget and resource requirements for the next fiscal/calendar year. The Chief Auditor will communicate the impact of resource limitations and significant interim changes to the Superintendent.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of GDOE management. The Chief Auditor will review and adjust the plan, as necessary, in response to changes in GDOE's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to the Superintendent through periodic activity reports.

9. REPORTING AND MONITORING

A written report will be prepared and issued by the Chief Auditor or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Superintendent.

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area, should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

IAO will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an "open issues file" until cleared.

The Chief Auditor will periodically report to the Superintendent on IAO's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management, the Superintendent.

10. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

IAO 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 IAO's conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the IAO and identifies opportunities for improvement.

The Chief Auditor will communicate to the Superintendent on IAO's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

11. REFERRALS

When appropriate, the IAO may refer findings to other authorities such as the Guam Police Department or the Office of the Attorney General for further investigation.

12. REVIEW OF THE INTERNAL AUDIT CHARTER

This policy may be updated as necessary to reflect IAO's operations and assure that it remains effective and in line with best practice. Proposed changes or amendments to this policy are subject to annual review, approval, and adoption by the Superintendent.

Guam Department of Education
Internal Audit Office's Internal Audit Charter

Approved this 18th day of April, 2016.



Franklin Cooper-Nuree, Chief Auditor

4/18/16

Date



Jon J.P. Fernandez, Superintendent of Education

4/18/16

Date

1. The first part of the document
 2. The second part of the document
 3. The third part of the document
 4. The fourth part of the document
 5. The fifth part of the document
 6. The sixth part of the document
 7. The seventh part of the document
 8. The eighth part of the document
 9. The ninth part of the document
 10. The tenth part of the document