

## **INTERNAL AUDIT FUNCTION**

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1. Purpose:

- a. It is the express interest of the Governing Board and President or Management Company Representative of the Academy to promote fiscal responsibility and accountability for the operations of the Academy. The internal audit function shall be considered an integral element in achieving these goals, with a view of assisting the Governing Board and Academy management in carrying out their responsibilities relating to fiscal policies, internal controls, and management reporting policies.
- b. Internal audit will serve an independent appraisal function within the Academy to examine and evaluate its activities, including the adequacy and effectiveness of the Academy's system of internal controls and quality of performance. Internal audit will provide analyses, appraisals, recommendations, counsel, and information concerning activities reviewed. The Governing Board and school management will be notified of any problem areas. The Auditor will advise individual Board members periodically of significant findings identified during audits before release of the report.

2. Organization of Internal Audit Functions:

- a. To promote independence and objectivity of the audit function, the auditor shall report to, and be evaluated by the Governing Board pursuant to Florida Statute 1002.42(10)(1) with input from the Audit Committee in accordance with South Tech Academy, Inc. Policy 1.05.
- b. The Audit Committee is governed by Policy 1.05. It shall promote independence in the internal audit function and advise on ensuring broad audit coverage, adequate consideration of audit reports, and appropriate action on audit recommendations.

3. Authority:

To properly carry out its responsibilities, internal audit shall reasonably be granted:

- a. The authority to conduct performance and financial audits of all departments, offices, activities, and programs under control of the Governing Board, and expenditures incurred by the Academy.
- b. Complete and unrestricted access to all Academy records, documents, and facilities, or other assets owned or borrowed, or used by the Academy, which includes information regarding vendors, as deemed necessary in performing audit activities.
- c. The authority to request reasonable assistance from appropriate personnel in locating assets and obtaining records and documents.
- d. Unrestricted interview privileges, both written and oral, with all Academy management and employees. The Auditor may also obtain information from vendors when such information is needed while conducting an audit.

4. Responsibility and Scope of Activities:

Types of audits to be performed by internal audit shall include, but not be limited to: performance, economy and efficiency, program and financial-related audits as defined by the **Government Audits Standards**.

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5. Auditing and Reporting Procedures:

- a. Internal audit will conduct its affairs in accordance with this policy, any policy required by the Audit Committee, the Government Auditing Standards, and the Audit Manual, which is incorporated by reference herein and made apart of this policy, provided nothing in the Manual shall be interpreted as being contrary to state or federal law. The Audit Manual shall be filed with the Academy President or Management Company Representative's office.
- b. During the course of audit work, the Auditor and his staff shall be alert to any indications of fraud, abuse, or illegal acts. The Auditor should consult with the Academy attorney where instances of apparent malfeasance occur.
- c. Before issuing a final written report, the Auditor will place it on the agenda for the next available Audit Committee meeting prior to submitting the final report to the Governing Board.
- d. Pursuant to 119.07(3)(y), Fla. Stat. And Ch. 95-399 2, Laws of Fla., work papers, notes, and preliminary or draft audit reports shall be held confidential and exempt from public-records disclosure until the audit is completed by submission of the final draft to the Governing Board.
- e. To enhance the independence, objectivity, and effectiveness of the auditing process, the final report shall be submitted to all members of the Governing Board, the Academy President or Management Company Representative and affected department heads. After submission of the final report to the Governing Board, audit reports will be available to members of the press and general public upon request.
- f. The Auditor may request periodic status reports from audited departments regarding corrective action taken to correct reported deficiencies or implement audit recommendations.

Authority: 101.41(2), 1001.42(22), 1002.33(9)(g)(i) FS

Implemented: 119.07(3)(y); 1001.41; 1001.42(10)(l); 286.11, 1002.33(9)(g)(i) FS

Reference: Palm Beach School District Policy 1.092; Government Auditing Standards, General Accounting Office, US Comptroller of the Treasury

History: New: 7/01/2004; Revised: 7/07/2005, 3/11/2010