



## Risk and Audit Committee

# Agenda Item 6a

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**September 25, 2018**

**Item Name:** Office of Audit Services Charter Update

**Program:** Audit Services

**Item Type:** Action

### **Recommendation**

Approve the revised Office of Audit Services (OFAS) Charter

### **Executive Summary**

This agenda item is to propose revisions to the existing OFAS Charter, which was last updated and approved by the Finance Committee in November 2011.

### **Strategic Plan**

This item is not a specific product of the Strategic Plan, but is required by the International Standards for the Professional Practice of Internal Auditing (Standards).

### **Background**

The Standards require the purpose, authority, and responsibility of the internal audit activity be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework. The internal audit charter establishes the internal audit activity's position within the organization; including the nature of the Chief Auditor's functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. The Standards also require the Chief Auditor to periodically review the internal audit charter and present to senior management and the board for approval.

### **Analysis**

The OFAS Charter is updated periodically and was last updated and approved by the Finance Committee in November 2011. The proposed revisions to the Charter supports the Chief Auditor's adherence to Standards which require the Chief Auditor to periodically assess whether the internal audit activity's purpose, authority, and responsibility, as defined in the internal audit

charter, remain adequate for internal audits to accomplish its objectives. The OFAS Charter was revised to include proposed changes related to the following areas: professionalism, independence, scope of work, responsibility, and reporting and monitoring. These changes have been reflected in the revised Charter in Attachment 1. OFAS has also included a red-line/strikeout version of the existing Charter as Attachment 2.

### **Budget and Fiscal Impacts**

Not Applicable

### **Benefits and Risks**

The revised Charter will allow OFAS to effectively carry out the responsibilities of internal audit activity and add value to the organization. Implementation of the revised Charter would ensure internal audit activity's continued compliance with Standards. Not implementing the revised Charter would result in OFAS operating under an outdated Charter and would not be aligned with the current Standards.

### **Attachments**

Attachment 1 – Revised OFAS Charter

Attachment 2 – Existing OFAS Charter with strikeout language

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