



GWINNETT COUNTY
Internal Audit
Charter

Gwinnett County Government
75 Langley Drive
Lawrenceville, GA 30046

INTRODUCTION

This Internal Audit Charter is a formal statement of purpose authorizing an Internal Auditing Function within Gwinnett County Government. This charter:

- Establishes The Office of Internal Audit within Gwinnett County Government
- Authorizes the director of The Office of Internal Audit to direct a broad range of internal audits across Gwinnett County Government
- Outlines the operational framework for The Office of Internal Audit

MISSION

The mission of The Office of Internal Audit is to provide independent, objective assurance and advisory services designed to add value and improve Gwinnett County's operations. The Office of Internal Audit will help Gwinnett County accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

AUTHORITY

The Office of Internal Audit shall have the authority to conduct financial, compliance, operational, performance, and information systems audits for all departments, offices, activities, and programs under the control of Gwinnett County. In performing their functions, The Office of Internal Audit staff shall have neither direct authority over, nor responsibility for, any of the activities reviewed. The Office of Internal Audit will not develop and install procedures, prepare records, make management decisions, or engage in any other activity that could be reasonably construed to compromise its independence. The Office of Internal Audit shall establish and maintain a cooperative relationship with the Board of Commissioners, the Audit Committee, County Administrator directed departments, Elected Officials, and Constitutional Officers. To facilitate independence, The Office of Internal Audit shall report directly to the Board of Commissioners and the Audit Committee, and administratively to the County Administrator.

AUDITING STANDARDS

The Office of Internal Audit shall follow the Standards for the Professional Practice of Internal Auditing issued by the following organizations:

- The standards produced by the Government Accountability Office (GAO) and published in “Government Auditing Standards” “The Yellow Book”
- Institute of Internal Auditors (IIA) International Standards For The Professional Practice of Internal Auditing Standards

RESPONSIBILITIES

The responsibilities of The Office of Internal Audit of Gwinnett County Government are to evaluate and examine the adequacy and effectiveness of Gwinnett County’s governance, risk management, and internal controls while adhering to the highest standards of internal auditing. These responsibilities include, but are not limited to:

- Developing an annual audit plan using appropriate risk-based methodology, including risks or control concerns identified by the Audit Committee and the Board of Commissioners, and submitting that plan to the Audit Committee for review and approval
- Implementing an annual audit plan, as approved by the Audit Committee
- Issuing an audit report to the Audit Committee and the Board of Commissioners at the conclusion of each audit in order to communicate the audit findings, recommendations, and action plans
- Monitoring and evaluating the effectiveness of Gwinnett County’s Internal Controls
- Reporting risk exposures and control issues, including, but not limited to fraud risks, governance issues, and any other matters uncovered during the audit engagement to the Audit Committee and the Board of Commissioners
- Making sure Gwinnett County’s resources are acquired economically, used efficiently, and adequately protected
- Providing, when appropriate, consulting and advisory services that add value to other departments of Gwinnett County to improve their risk management without assuming management responsibility

- Assisting, when appropriate, in the investigation of suspected fraudulent activities within Gwinnett County Government and notifying the Audit Committee and the Board of Commissioners of the results
- Informing the Audit Committee of emerging trends, risks, and successful practices in internal auditing
- Assisting the Audit Committee in any other way in connection with the discharge of its duties and responsibilities

ORGANIZATION/GOVERNANCE

The Office of Internal Audit shall report directly to the Board of Commissioners and the Audit Committee. The Audit Committee shall provide guidance for The Office of Internal Audit and help preserve and enhance the objectivity and independence of the office by providing a forum in which internal auditors can discuss audit-related matters apart from management of the subject matter activities.

The Director of The Office of Internal Audit is eligible for annual pay for performance changes in a manner consistent with Section 101.102 of the Human Resources Management Policies or in any other manner reasonably designed by the Internal Audit Committee to reliably measure the Director's performance relative to established goals and performance objectives.

The performance evaluation document shall be submitted to Human Resources, signed and dated by the Committee Chairperson or his/her designee; provided, however, that after consensus consultation with and confirming the consensus view of the other members of the Audit Committee, the Committee Chairperson shall have the authority and discretion to notify Human Resources, in writing, of the Director of The Office of Internal Audit's entitlement to a performance increase in any year in which the Committee is for any reason unable to complete the performance evaluation in a timely fashion

Notwithstanding the foregoing, any failure to provide an annual performance evaluation and/or performance increase shall not be deemed a violation of the rights of the Director of The Office of Internal Audit, if any, under this Charter or under the Audit Committee Charter, if any.

ANNUAL AUDIT PLAN

The Office of Internal Audit shall develop a risk-based annual audit plan based on an assessment of the goals, objectives, and business risks of Gwinnett County. The annual

audit plan shall take into consideration any special requirements of the Audit Committee and the Board of Commissioners. The annual audit plan shall be flexible in order to meet the changing needs and priorities of Gwinnett County. The director of The Office of Internal Audit shall prepare the internal annual audit plan for review and approval by the Audit Committee. The director of The Office of Internal Audit can adjust the plan as necessary, in response to changes in Gwinnett County's risks, operations, programs, systems and controls. Significant deviation from the approved annual audit plan shall be communicated to the Audit Committee.

REPORTING ARRANGEMENTS

The Office of Internal Audit shall officially report to the Board of Commissioners and the Audit Committee, with day-to-day supervision provided by the County Administrator. Upon completion of each internal audit, The Office of Internal Audit shall issue a report to the Board of Commissioners and the Audit Committee. The report shall detail the objective and scope of the audit, the resulting issues based on the audit, and any corrective actions taken, or to be taken in regards to the specific findings and recommendations.

QUALITY ASSURANCE & IMPROVEMENT PROGRAM

The Office of Internal Audit shall implement a quality assurance program to provide assurance that internal audit work conforms to the highest internal auditing standards. To ensure continuous improvements of the procedures of the internal function, The Office of Internal Audit, when appropriate, should seek feedback from the departments it engages. All suggestions and recommendations shall be considered in an effort to improve the processes of the internal audit function.