



Office of County Internal Audit Charter

MISSION

The mission of the Office of County Internal Audit (Office) is to enhance and protect Clackamas County's organizational value by providing risk-based and objective assurance, advice, and insight.

VISION

The Office provides assurance, consulting, and investigative services to the public, employees and departments of Clackamas County so they can feel confident that the public's interests are protected and can engage with an accountable, high performing, and transparent local government.

PURPOSE

The County Internal Auditor establishes, implements, and monitors internal audit policies, procedures, and resources to provide independent, objective assurance, consulting and investigative activities designed to add value and improve County operations. The Office supports transparent, accountable, and informed decision-making and helps the County serve and enrich our community by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

AUTHORITY

The Office is established under the authority provided in County Code Chapter 2.15: County Internal Auditor. The County Internal Auditor is the Chief Audit Executive (CAE). The Chief Audit Executive reports functionally to the Internal Audit Oversight Committee (IAOC) and administratively to the elected County Treasurer. Functional oversight responsibilities of the IAOC include approving the risk-based audit plan, reviewing audit reports and recommendations, and providing input regarding the appointment or removal of the CAE.

The Office is authorized to examine and evaluate the operations and activities of any office, department, political subdivision, or organization which receives appropriations from the Board of County Commissioners, or for which governing bodies are appointed by the Board of County Commissioners.

The Office is granted full, free and unrestricted timely access to all activities, information, records, property and personnel required to conduct an audit or otherwise perform audit duties. The Office has the authority to request reasonable assistance from County personnel in acquiring records, documents, and files, as well as inspection and entry privileges to all assets owned, leased, or borrowed by the County. Internal Audit staff are held strictly accountable for the safeguard of all materials and the confidentiality of information, when appropriate.

PROFESSIONALISM

The Office governs itself by adherence to The Institute of Internal Auditors' mandatory guidance, including the 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 Office's performance. The CAE annually affirms to the IAOC compliance with professional standards and the Code of Ethics.

INDEPENDENCE AND OBJECTIVITY

The Office remains free from influence by County management in any element, including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of necessary independent and objective mental attitude. The Office does not perform, or have authority over,

operational responsibilities or non-audit functions or duties subject to periodic internal audit assessments, as this may compromise its independence or objectivity.

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments. Internal auditors have impartial, unbiased attitudes and avoid any conflicts of interest.

The CAE annually confirms to the IAOC the organizational independence of the internal audit function.

SCOPE OF WORK AND RESPONSIBILITIES

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the County's governance, risk management and control process, as well as the quality of performance in carrying out assigned responsibilities to achieve its goals and objectives. The Office provides three types of services – assurance, advisory and investigative.

Assurance services are objective examinations of evidence to provide an independent assessment; commonly referred to as audits. The scope of work for assurance services determines whether the County's network of governance, risk management, and control processes is adequate and functioning to ensure:

- Risks are appropriately identified and managed;
- Financial, managerial and operating information is accurate, reliable and timely;
- Actions follow the County's policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Operational results are consistent with established objectives and plans;
- Quality and continuous improvement are fostered in the internal control process;
- Legislative or regulatory issues impacting the County are recognized and addressed appropriately;
- IT development and systems are appropriately managed, controlled and protected; and
- Audit recommendations are evaluated and implemented, as appropriate.

Advisory services are consultative and include service activities such as counsel, advice, facilitation, training and participation on standing or temporary management committees or project teams. The objective of consulting services is to add value in the development, modification or validation of County processes, procedures and controls to minimize risk and achieve objectives.

Investigative services are independent special reviews and investigations addressing allegations of fraud, waste, abuse, or misuse of County assets and resources. The Office develops, implements, and manages the County fraud, waste, and abuse hotline program, the Good Government Hotline.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The Office maintains a quality assurance and improvement program. The program includes an evaluation of the office's conformance with the *Standards* and application of The Code of Ethics. The program assesses the efficiency and effectiveness of the internal audit function and identifies improvement opportunities. The CAE reviews program results with the IAOC at least annually.

The CAE reviews and assesses the adequacy of this charter with the IAOC at least annually. Revisions are submitted to the IAOC for approval. All approved revisions supersede prior Internal Audit charters.

COUNTY MANAGEMENT RESPONSIBILITIES

County management is responsible for the County's governance, risk management, and control processes. The performance of audits and reviews by the Office does not relieve management of any responsibilities.

Approved as revised this 8th day of June 2022 by Internal Audit Oversight Committee vote, and in collaboration with the County Treasurer and the County Internal Auditor.