



**DEPARTMENT OF CORRECTIONS
Administration**



Title:	Internal Audit	DOC Policy: 10.2.1
Effective:	4/27/23	Supersedes: 5/1/16
Applicability:	All functional units	
Directives Cross-Reference OAR 125-700 Internal Auditing (DAS)		
Attachments: Internal Audit Charter Audit Committee Charter		

I. PURPOSE

The purpose of this policy is to establish requirements for Department of Corrections (DOC) Internal Audit function.

II. POLICY

- A. DOC will maintain an internal audit function for as long as the agency meets the eligibility requirements set in Department of Administrative Services (DAS) rule 125-700 Internal Auditing.
- B. Internal Audit will comply with rules and standards for internal audit functions in state government set by DAS. The Chief Audit Executive shall, with approval from the Audit Committee:
 1. Select appropriate professional auditing standards to follow in performing audit work.
 2. Develop and periodically update the Internal Audit charter and Audit Committee charter.
 3. Annually, produce a risk assessment of the entire agency and develop an annual plan of audit engagements based on the agency risk assessment.
 4. Perform at least one audit per year and complete an audit related to governance and risk management at least once every five years.
 5. Complete internal and external reviews in accordance with chosen professional auditing standards.
 6. File annual reports with the Department of Administrative Services.

- C. The Chief Audit Executive of the Internal Audit function will report administratively to the Director or Deputy Director and report functionally to the Audit Committee.
- D. The DOC Internal Audit Charter attached to this policy is a formal document that defines the purpose, authority, and responsibility of the Internal Audit activity. Final approval of the Internal Audit Charter resides with the DOC Audit Committee. The Internal Audit Charter establishes Internal Audit's role within the department, including:
 - 1. Administrative and functional reporting relationships of the DOC Chief Audit Executive;
 - 2. Authorization of unrestricted access to records, employees, contractors, volunteers, and physical properties relevant to the performance of engagements;
 - 3. Definition of the nature of assurance services provided;
 - 4. Provision for independence and objectivity of the Internal Audit function and for the Internal Audit Quality Assurance and Improvement program; and
 - 5. Recognizing mandatory guidance of professional auditing standards.
- E. The role and function of the DOC Audit Committee shall be stated in a formal, written charter that describes the authority, responsibilities, and structure of the Audit Committee. The charter must be approved and periodically reviewed by the Audit Committee.
 - 1. Committee members are appointed by and responsible to the DOC Director. The committee members will be composed of the DOC Executive Team and qualified external members as defined in the Audit Committee Charter.
 - 2. The committee will meet at least four times a year with authority to convene additional meetings as circumstances require. The committee may invite members of management, auditors, or others to attend meetings and provide pertinent information as necessary. The committee may hold private meetings with auditors and executive sessions. Meeting agendas will be prepared and provided in advance to members along with appropriate briefing materials. Minutes will be prepared.

III. IMPLEMENTATION

Certified: signature on file
Julie Vaughn, Rules Coordinator

Approved: signature on file
Heidi Steward, Acting Director