



**DEPARTMENT OF CORRECTIONS
Internal Audit**



Title:	Audit Committee Charter	DOC Policy: 10.2.2
Effective:	5/1/16	Supersedes: Renumbered from policy 70.3.2 dated 10/1/09
Applicability:	All functional units	
Directives Cross-Reference:	DAS Policy Internal Auditing – 10.80.10	
Attachments:	None	

I. PURPOSE

To assist the Director in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit process, and the Department of Corrections (DOC) and Oregon Corrections Enterprises (OCE) process for monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee (committee) will maintain free and open communication among the Secretary of State Audits Division, Internal Audit, and DOC Director.

II. POLICY

A. Membership

Committee members are appointed by and responsible to the Director of DOC. The Committee members will be composed of the DOC Policy Group, chaired by the Deputy Director.

B. Meetings

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.

C. Responsibilities

The committee will carry out the following responsibilities:

1. Internal Controls
 - a. Consider the effectiveness of DOC’s and OCE’s internal control system including information technology security and control.
 - b. Understand the scope of Internal Audit and Audits Division’s review of the adequacy of DOC’s and OCE’s internal controls over financial reporting.

Obtain reports on significant findings and recommendations, together with management's responses, and the extent to which major recommendations made by Internal Audit and Audits Division have been implemented.

2. Internal Audit

- a. Provide input on the activities of Internal Audit by reviewing and jointly establishing priorities in:
 - The annual audit plan and any significant changes in planned activities, and
 - The staffing requirements needed to achieve objectives.
- b. Review and approve the selection of any independent auditors retained by DOC for the performance of external audits.
- c. Assess areas of department risk based on information provided by Internal Audit and external audit reports.
- d. Provide the Administrator of Internal Audit with unrestricted access to the Department.
- e. Coordinate with the Administrator to engage in periodic quality assurance reviews to ensure that the Internal Audit function is operating in accordance with professional standards.

3. Compliance

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- b. Review the findings of any examinations by regulatory agencies, and any auditor observations.
- c. Review the process for communicating the code of conduct to DOC and OCE personnel, and for monitoring compliance therewith.
- d. Obtain regular updates from management regarding compliance matters.

III. IMPLEMENTATION

This policy will be adopted immediately without further modification.

(Renumbered from 70.3.2 to move under Administration, no change in policy.)

Certified: signature on file
Birdie Worley, Rules Coordinator

Approved: signature on file
Kim Brockamp, Deputy Director