

Resolution 21-02

A Resolution to Establish an Internal Audit Charter

WHEREAS, the Town Council of Cornish, Utah wishes to provide an independent, objective assurance and consulting activity designed to add value and improve Cornish Town Corporation's risk management efforts; and,

WHEREAS, the Cornish Town Council wishes to accomplish their objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of processes and controls designed to manage risk; and,

WHEREAS, an Internal Audit Charter has been created which specifically outlines what authorizations and/or restrictions are placed on an Internal Auditor and what procedures are to be strictly followed by any Internal Auditor;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of Cornish, Utah hereby:

Adopts the Cornish Town Internal Audit Charter

ADOPTED and passed by the Town of Cornish, Cache County, Utah this 20th day of January 2021.



Brad Fisher, Mayor Pro Tem



ATTEST:



Deyette Bradley, Cornish Town Clerk



Internal Audit Charter

Introduction

The internal audit function was established by Resolution 21-02 on January 20, 2021.

Purpose

The purpose of Internal Audit is to provide an independent, objective assurance and consulting activity designed to add value and improve the Cornish Town Corporation's risk management efforts. It helps Cornish Town and its governing board accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of processes and controls designed to manage risk.

Independence

To help ensure independence and objectivity, the Cornish Town Internal Auditor reports to the Audit Committee and the Audit Committee appoints the Cornish Town Internal Auditor.

Authority

Internal Auditors are authorized to:

- Have access to the records, property and personnel of all town departments, boards and commissions, in order to conduct internal audits.
- Have access to all documents and records of organizations receiving funds originating or passed through by the town to ensure that adequate internal controls are in place and operating effectively, regarding the expenditure of those funds relating to Cornish Town.
- Have access to the Audit Committee.
- Obtain the necessary assistance of personnel in departments of Cornish Town where they perform audits, as well as other specialized services from within or outside Cornish Town

To maintain an independent status, Internal Auditors are not authorized to:

- Perform any operational duties for the Entity or its boards and committees.
- Initiate or approve accounting policies and procedures or transactions external to the Internal Audit department.

- Direct activities of any Cornish Town Corporation except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

Scope and Responsibilities

The Internal Auditor will:

1. Develop an annual audit plan using appropriate risk-based methodology and considering risks or concerns identified by management to be submitted to the Audit Committee for approval. The annual audit plan shall include at a minimum, the following information:
 - a. The scope of each proposed audit, including a summary of the nature, records, and time period covered by each audit to be conducted.
 - b. Identification of the department, board, service, program, function, or policy to be audited.
 - c. Each potential audit objective to be addressed.
2. Implement the annual audit plan as approved, including any requested special projects as approved by the Audit Committee.
3. Conduct investigations of alleged or suspected impropriety, fraud, misappropriation, or other misuse of Cornish Town funds and provide required reports to appropriate authorities.
4. Coordinate with external auditors and monitor the implementation of corrective actions recommended by external auditors as appropriate.
5. Submit reports to the Audit Committee indicating audits completed, major findings, corrective actions taken, and significant findings which have not been fully addressed by management.
6. Request adequate resources necessary to accomplish audit objectives.
7. Coordinate with the State Auditor and external auditors to minimize duplication of efforts and maximize efficient audit coverage.
8. Receive, track, and report hotline complaints to the audit committee.

The Internal Auditor may:

1. Subject to the approval of the Audit Committee, conduct special reviews and programmatic reviews at the request of the governing board and committees.

2. Subject to the approval of the Audit Committee, provide assistance for evaluation of financial controls and other audit related matters.
3. Amend the annual audit plan, subject to the approval of the Audit Committee.
4. Initiate, conduct, or expand the scope of an audit or investigation if a finding requires expansion of the scope, or if a determination has been made that fraud, abuse, or an unlawful act may have occurred.