

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: December 6, 2005

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **POLICY 8400 – AUDITING: INTERNAL AUDIT, ALL FUNDS**

ORIGINATOR: Frances Parker, Chief Auditor

RESOURCE
PERSON(S): Andrea Barr, Assistant Chief Auditor

RECOMMENDATION

The proposed new policy will establish the authority, standards, and responsibilities of the Office of Internal Audit. Additionally, the reclassification from the 3000 series Business to the 8000 series Internal Board Operations will accurately reflect the reporting structure of the Office of Internal Audit.

It is also recommended that Policy 3132, Non-Instructional Services: Fiscal Services Auditing: Internal Audit, All Funds, be deleted and replaced with proposed policy 8400.

This is the first reading.

* * * * *

Appendix I – Policy Analysis
Appendix II – Proposed Policy 8400

Board Of Education of Baltimore County
Policy Analysis

Proposed Deletion:

Policy 3132 Non-Instructional Services: Fiscal Services Auditing: Internal Audit, All Funds

Proposed New Policy:

Policy 8400 Auditing: Internal Audit, All Funds

Statement of Issues Addressed by the Proposed Policy Revision

Policy 3132 was adopted in June 1980, and has never been updated. The proposed new policy 8400 was reviewed by Leadership, the Board of Education (Board) Budget and Audit Committee, the Board Policy Ad Hoc Committee, and legal counsel for the Board and Superintendent. The deletion of Policy 3132 and the addition of Policy 8400 will establish the authority, standards, and responsibilities of the Office of Internal Audit. Additionally, the reclassification from the 3000 series Business to the 8000 series Internal Board Operations will accurately reflect the reporting structure of the Office of Internal Audit.

Cost Analysis

There is no specific fiscal impact on the Board as a result of the proposed deletion of 3132 and the proposed adoption of new policy 8400.

Legal Requirement

None

Similar Policies Adopted by Other School Systems

Similar policies from Anne Arundel County, Montgomery County, and Prince Georges County were reviewed in the development of the proposed new policy 8400.

Draft of Proposed Policy

Policy 8400 (Exhibit)

Other Alternatives Considered by Staff

None

[Policy 3132]
POLICY 8400

[NON-INSTRUCTIONAL SERVICES: Fiscal Services]

Auditing: Internal Audit, All Funds

[The Office of Audit shall be responsible for the ongoing audit of the activity of all funds, including school activity funds, managed by the Board of Education. This office will assist the external audit to the degree which is necessary and appropriate.]

THE BOARD OF EDUCATION OF BALTIMORE COUNTY (BOARD) HAS ESTABLISHED THE OFFICE OF INTERNAL AUDIT (INTERNAL AUDIT) AS AN INDEPENDENT AND CONSULTANT OFFICE THAT REPORTS DIRECTLY TO THE BOARD OF EDUCATION. THE OFFICE IS INDEPENDENT OF THE SCHOOL SYSTEM AND IS ADMINISTRATIVELY AND OPERATIONALLY SUBJECT TO THE PRESIDENT OF THE BOARD.

INTERNAL AUDIT SHALL ASSIST THE BOARD IN THE DISCHARGE OF ITS RESPONSIBILITIES; COMPLETE AUDITS OF BALTIMORE COUNTY PUBLIC SCHOOLS (BCPS); AND FURNISH THE BOARD AND BCPS WITH ANALYSES, RECOMMENDATIONS, COUNSEL, AND INFORMATION CONCERNING THE ACTIVITIES AUDITED OR REVIEWED. INTERNAL AUDIT WILL ALSO FACILITATE ANY AUDIT PROCESSES AND ASSIST ANY EXTERNAL AUDITORS TO THE DEGREE NECESSARY AND APPROPRIATE.

INTERNAL AUDIT IS AUTHORIZED TO HAVE UNRESTRICTED ACCESS TO ALL BCPS FUNCTIONS, RECORDS, PROPERTY, AND PERSONNEL.

THE BOARD SHALL APPOINT, REPLACE AND/OR DISMISS THE CHIEF AUDIT EXECUTIVES.

INTERNAL AUDIT STANDARDS AND RESPONSIBILITIES SHALL BE INCLUDED IN ITS CHARTER AND ANNUAL WORK PLAN.

ALL CAPS indicate new material.
Brackets [] indicate deleted material.

Policy
[Adopted: 6/19/80]
Adopted: _____

Board of Education of Baltimore County