

Denver Board of Water Commissioners

Title:

Adoption of Internal Audit Charter

Meeting Date: 8/12/2009

Contract/Proposal

Action by Consent

Action

Information

Although an Internal Auditor position has existed at Denver Water for many years, the internal audit function has not been formally established.

The world-wide governing body for internal audit, The Institute of Internal Auditors (IIA), recommends that the purpose, authority, and responsibility of an organization's internal audit activity be formally defined in an internal audit charter that is consistent with the International Standards for the Professional Practice of Internal Auditing (ISPPA). Indeed, the first standard requires that the Charter be formally presented to senior management and the Board for approval. Adopting a Charter is an important part of demonstrating the Board's commitment to effective risk management, governance, and internal control practices.

The proposed Internal Audit Charter establishes Internal Audit's position within Denver Water's organization; authorizes access to records, personnel, and physical properties relevant to the performance of audit engagements; and defines the scope of internal audit activities. While customized to meet Denver Water's specific needs, the content of the Internal Audit Charter is consistent with the ISPPA.

In addition, formally adopting the Charter will be a factor in allowing Denver Water's external auditors (currently BKD) to rely partially or entirely on the work of Denver Water's Internal Audit unit when conducting their annual audit.

RECOMMENDATION:

It is recommended that the Board approve the attached Resolution to Adopt an Internal Audit Charter.

Approvals: _____



Manager Approval:

Documents Attached:  File Attachment