



**Judicial Council of California
Administrative Office of the Courts**

INTERNAL AUDIT SERVICES CHARTER

MISSION

The mission of Internal Audit Services is to assist the Judicial Council and its staff agency, the Administrative Office of the Courts, and all members of the judicial branch in the effective and efficient discharge of their administrative and operational responsibilities.

NATURE

Internal auditing is an independent appraisal activity established within an organization as a service to the organization. It is an internal control that examines and evaluates the adequacy and effectiveness of other controls.

Internal auditing is a key tool for the judicial branch to accomplish its goals and objectives; this includes providing assistance to achieve equal access and participation, the appropriate accountability to the public, and the administration of justice in a timely, efficient, and effective manner.

OBJECTIVE AND SCOPE

The objective of internal auditing is to assist judicial branch organizations in the effective discharge of their responsibilities. To this end, internal auditing furnishes them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.

Internal audit objectives include:

- Providing an independent resource to inquiries and problems raised by the leadership of local courts.
- Planning for the periodic audits of judicial branch organizations.
- Providing appropriate management information to the leadership of the judicial branch (e.g., the Chief Justice, members of the Judicial Council, presiding justices and judges, Administrative Director of the Courts, court executive officers) regarding issues identified and any systemic problems requiring immediate decisions.
- Promoting fiscal operations that are consistent with laws, rules, and practices to ensure cost effective and operational efficiencies and sound financial management.

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the

quality of performance in carrying out assigned responsibilities. The scope of internal auditing includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining whether the organization is in compliance;
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Appraising the economy and efficiency with which resources are employed; and
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

RESPONSIBILITY AND AUTHORITY

Internal Audit Services was established by the Administrative Office of the Courts to perform audits of the operations of all judicial branch entities and funds. A primary responsibility of Internal Audit Services is to perform and oversee internal audits, reviews, investigations, and special projects of the judicial branch. This responsibility was authorized by Government Code sections 77009(h) and 77206(c). The purpose, authority, and responsibility of Internal Audit Services are defined in this formal written document (charter).

Internal Audit Services can review all policies, plans, procedures, and operations, and has unlimited access to records, properties, and personnel. The function of Internal Audit Services does not, however, relieve members of the judicial branch of their assigned responsibilities.

INDEPENDENCE

Independence is essential to the effectiveness of the internal auditing function. This independence is obtained primarily through organizational status and objectivity.

- Objectivity is essential to the internal audit function. Therefore, the Internal Audit Unit does not develop or install procedures, prepare operations records, or engage in any other activity that might be construed to compromise audit objectivity.

Objectivity is not adversely affected, however, if Internal Audit Services determines and recommends standards of control to be applied in the development of systems and procedures, or provides general consulting services to management.