



Internal Audit Plan and Charter

Finance Committee

June 26 2023



Internal Audit Annual Plan

- An internal audit annual plan is an outline of the internal audit function activities for a specific period, typically one year.
- The annual plan states the audit objectives, scope and the approach to be adopted by the internal audit function in conducting an independent and objective assessments of an organization's operations, systems, processes, and controls.
- The purpose of the internal audit annual plan is to ensure that the internal audit activities are aligned with the organization's goals and objectives, and to provide assurance on the effectiveness of risk management, internal controls and governance processes
- The annual plan identifies agencies and other City's processes to be audited based on the results of risk assessments (Baker Tilly's assessment and the yearly risk assessment by the internal audit function), and other regulatory requirements.
- The internal audit annual plans shall be approved by the Common Council through the Finance Committee before it becomes operational.

Performance Audit	Q1	Q2	Q3	Q4	Notes
City of Madison Municipal Court					Review of the City's judicial system, operations, financial recording, and procedures.
City of Madison Parks Division					Review of City's parks system and operations including its system of cash management.
City of Madison External Audit (Single Audits)					Working with the City agencies and the external auditors for the Single Audit
Enterprise Risk Assessment					Project will commence in November 2023, and will be completed in Jan 2024
Internal Control Continuous Monitoring	Q1	Q2	Q3	Q4	
Cash Counts and Limited Cash Control Reviews					To ensure the efficiency of cash receipts controls across the City enterprise.
City-wide internal control spot check					To test the existence, and efficiency of the City's internal Control system
Grant Controls Reviews					Grants Control Monitoring and Reporting



Internal Audit Charter

- An internal audit charter is a formal document that defines the purpose, authority, scope, and responsibilities of the internal audit function within an organization.
- It establishes the role of the internal audit unit within the City's governance structure, and provides a framework for conducting audits in a systematic and consistent manner.
- It helps to ensure the independence, objectivity and effectiveness of the internal audit function.
- Internal Audit Charter will typically include:
 - ☐ Purpose
 - ☐ Authority
 - ☐ Scope
 - ☐ Responsibilities
 - ☐ Independence and Objectivity
 - ☐ Professional Standards
 - ☐ Reporting and Communication
 - ☐ Quality Assurance and Improvement
- The charter should be approved by the governing body to which the function is responsible.



Thank You!!