

## **RESOLUTION 2014-67**

### **RESOLUTION ADOPTING THE REVISED INTERNAL AUDIT CHARTER DEFINING THE PURPOSE, AUTHORITY, AND RESPONSIBILITY OF INTERNAL AUDIT**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

**WHEREAS**, Section 21 of the Port Act authorizes the Board of Port Commissioners (BPC) to pass all necessary ordinances and resolutions for the regulation of the District; and

**WHEREAS**, the District's Internal Audit Charter defines the purpose, authority, and responsibility of Internal Audit; and

**WHEREAS**, in accordance with Generally Accepted Government Audit Standards and the Institute of Internal Auditors International Professional Practices Framework, the Port Auditor recommends minor changes to the following Internal Audit Charter sections:

- Section B. Authority and Responsibilities - to clarify the Internal Audit is responsible for serving the District within the guidelines of the Government Auditing Standards of the US General Accounting Office and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, Inc.
- Section C (1-5). Scope of Activities – Delete “Review” and replace with “Evaluate;”
- Section D. Audit Process – revised portions to read as follows:

The IPPF requires the establishment of a risk-based assessment to determine the priorities of the Internal Audit Work Plan. The assessment is based on the audit universe, discussions with division and department heads, input from the Board, the external auditor, and an assessment of risk and exposures affecting the Port. Using that approach, the assessment is completed before the beginning of each fiscal year and the Internal Audit Plan is developed based on the assessment.

...Unresolved exceptions of a significant nature will be referred to progressively higher levels of Management, the

Committee, and/or the Board until Internal Audit is satisfied that the exceptions have been addressed in a manner that adequately mitigates the risk.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Internal Audit Charter, as amended to include the above referenced minor changes relative to Internal Audit's authority, responsibilities, scope of service, and audit process, is hereby adopted, a copy of which is on file in the Office of the District Clerk.

APPROVED AS TO FORM AND LEGALITY:  
PORT ATTORNEY

  
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By: ~~Assistant~~ Deputy

2014-67

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 15<sup>th</sup> day of April, 2014, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama

NAYS: None.

EXCUSED: None.

ABSENT: None.

ABSTAIN: None.



Robert E. Nelson, Chairman  
Board of Port Commissioners

ATTEST:



Laura Nicholson  
Deputy District Clerk

(Seal)