



**ROMAN CATHOLIC  
DIOCESE of ORANGE**

**AUDIT AND ADVISORY SERVICES CHARTER  
ROMAN CATHOLIC DIOCESE OF ORANGE**

**INTRODUCTION**

Internal audit, as defined by the Institute of Internal Auditors, is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

Advisory services are more consultative in nature than audits and are performed in response to requests from a Parish, a School, or the Diocese. The Advisory Services function partners with management to identify solutions for business issues, offers opportunities to improve the efficiency and effectiveness of operating areas, and assists with special requests, while ensuring the consideration of related internal control issues.

The leadership of the Roman Catholic Diocese of Orange recognizes the benefit of internal auditing and advisory services and has adopted the "Roman Catholic Diocese of Orange Audit and Advisory Services Charter." The charter addresses the mission, objective, scope, independence, authority and responsibility of Audit and Advisory Services.

**MISSION**

The mission of Audit and Advisory Services is to assist the Diocese of Orange in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. This assistance is provided through a series of independent and objective operational and compliance audits, internal control reviews, and advisory services designed to add value and improve operations.

**OBJECTIVES**

Audit and Advisory Services assists the Diocese of Orange in assessing risks and evaluating the controls designed to address those risks. Audit and Advisory Services provides management with analyses, recommendations, counsel and information concerning the activities reviewed. The objective includes promoting effective control at reasonable costs.

**SCOPE**

The scope of the Audit and Advisory Services activity includes examining and evaluating the policies, procedures and systems which are in place to ensure: reliability and integrity of information, compliance with policies, plans, procedures, laws and regulations; safeguarding assets; economical and efficient use of resources; and accomplishment of established objectives and goals for operations or programs. Audit and Advisory Services provides consulting services within the Diocese concerning issues related to internal controls, and other areas of interest and concern. Audit and Advisory Services provides assistance for coordinating audit planning and scheduling activities with external auditors



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### **INDEPENDENCE**

To provide for the independence of the Audit and Advisory Services function, the Director Audit and Advisory Services reports functionally and administratively to the Chief Financial Officer and periodically to the Diocese Audit Committee. The Director of Audit and Advisory Services will have no direct responsibility or authority for any of the activities or operations reviewed. The Director of Audit and Advisory Services should not develop and install procedures, prepare records, or engage in activities that would normally be reviewed by Audit and Advisory Services. Furthermore, the Director of Audit and Advisory Services Audit does not in any way relieve other persons in the Diocese of the responsibilities assigned to them.

### **AUTHORITY and RESPONSIBILITY**

The responsibility of Internal Audit is to serve the Diocese in a manner that is consistent with the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing and with the professional standards of conduct outlined in the Code of Ethics.

Audit and Advisory Services is authorized to review all records and has full and complete access to all activities, records, property and personnel reasonably necessary to perform the responsibilities of this function. Information obtained during the course of audit and advisory activities will be held with appropriate confidentiality.

### **AUDIT COMMITTEE AND CHIEF FINANCIAL OFFICER REPORTING**

The Director of Audit and Advisory Services will develop a flexible audit plan and submit that plan and periodic updates to the Chief financial Officer (CFO) and the Audit Committee. The Director of Audit and Advisory Services will provide audit reports and a status report on current and past audits to the Audit Committee and the Chief Financial Officer.