



Audit Committee

Audit Department Charter Revisions

Item 7c

March 9, 2026

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Item 7c
Audit
Department
Charter
Revisions

Subject

Discussion on amendments to the Metropolitan Water District Administrative Code Section 6451 regarding the Audit Department Charter

Purpose

Review proposed amendments to the Audit Department Charter

Next Steps

Approval will be requested for the amendments at the June 2026 Board/Audit Committee Meetings

Audit
Department
Charter
Section 6451

The Institute of Internal Auditors



- Internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications
- Established in 1941
- Serves more than 200,000 members from more than 170 countries and territories (www.theiia.org)
- Sets the standards for the way internal auditing is practiced around the world

Professional Internal Audit Standards

Audit Department Charter Section 6451



Global Internal Audit Standards

- Effective January 2025
- Standard 6.2

Audit
Department
Charter
Section 6451

Item Overview

- Significant revisions to Section 6451
- Codification of existing practices
- No additional resources required

Audit
Department
Charter
Section 6451

Recommended Charter Updates

1. Subsection (a) Purpose
 - Rename subsection
 - Replace Mission with the Purpose of Internal Auditing
2. Subsection (b) Accountability
 - Minor update
3. Subsection (c) Professional Standards
 - Update to conform to new Standard references
 - Update internal auditor responsibilities to conform to the Standards

Audit
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Recommended Charter Updates (con't)

4. Subsection (d) Authority

- Move Authority to this section
- Update to specify express authority granted by the Board
- Clarify prohibited Audit Department activities

5. Subsection (e) Role

- New section
- Clarify existing Scope of Services
- Add additional items

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Recommended Charter Updates (con't)

6. Subsection (f) Responsibilities

- Clarify the existing list
- Add additional items

7. Subsection (g) Independence

- New section
- Affirm direct reporting relationship to the Board
- Define the General Auditor's functional and administrative reporting

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Recommended Charter Updates (con't)

8. Subsection (h) Communications

- New section
- Define specific instances requiring communication to the Board and management

Administrative Code

Future Updates

- Audit Committee (Section 2421)

Audit
Department
Charter
Review

Questions?

