



California High-Speed Rail **BRIEFING: January 23, 2025, Board Meeting AGENDA ITEM # 3**

TO: Chair Richards and Board Members
FROM: Paula Rivera, Chief Auditor
DATE: January 23, 2025
RE: Consider Approving the Revised Audit Office Charter

Summary

Staff recommends that the Board:

- Approve the revised Audit Office Charter.

Background

The Audit Charter is the codification of existing practices, and is designed in accordance with Government Code Section 13885 *et seq.* The purpose of the Audit Charter is to provide guidance and assistance to the Authority and the Audit Office in fulfilling oversight responsibilities for the financial and operational reporting processes within the Authority. The charter establishes the responsibility of the Audit Office in the areas of organization risk management, the Authority's system of internal control, and the process for monitoring compliance with laws and regulations governing the Authority's operations.

Government Code Section 13886.5(a) identifies that state agencies that have their own internal auditors shall conduct internal audit activity under the general and specific standards of internal auditing prescribed by the Institute of Internal Auditors or the Government Auditing Standards issued by the Comptroller General of the United States, as appropriate.

Effective January 9, 2025, the internal audit standards prescribed by the Institute of Internal Auditors underwent an overall general revision. The Global Internal Audit Standards have been revised and reorganized into 15 principles which are contained within five domains:

- Domain I – Purpose of Internal Auditing
- Domain II – Ethics and Professionalism
- Domain III – Governing the Internal Audit Function
- Domain IV – Managing the Internal Audit Function
- Domain V – Performing Internal Audit Services

The revisions to the Audit Charter are to include changes based on the wording from Domain I, and a commitment to adhering to the audit standards as identified in Domain II. The most significant revisions are based on Domain III and are addressed in the Board Oversight and Chief Auditor Roles and Responsibilities including Ethics and Professionalism, Objectivity, Managing the Internal Audit Function, Communication with

the Board and Senior Management, and Quality Assurance and Improvement Program sections of the revised Audit Charter.

Prior Board Action

Resolution #HSRA 14-20 Approval of Audit Division Charter and Resolution #HSRA 17-14 Approval of Revisions to the Audit Charter.

Legal Approval

The Legal Office has reviewed this item and finds that it meets the legal requirements for the action sought.

Budget and Fiscal Impact

None.

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Jamey Matalka Chief Financial Officer	Signature verifying budget analysis:
Reviewer Name and Title: Alicia Fowler Chief Counsel	Signature verifying legal analysis:

Recommendations

Staff recommends that the Board approve the revised Audit Charter.

Attachments

Resolution #HSRA 25-XX
Audit Charter