



# Audits and Risk Management Committee

## Item number 3 – Open session

**Subject:** Fiscal Year 2024-25 Audit Services Audit Activities

**Presenter(s):** Chairperson

**Item type:** Consent information

**Date and time:** November 6, 2024 – 0 minutes

---

**Attachment(s):** Attachment 1 – Audit Services Draft Strategic Plan

Attachment 2 – Audit Services Performance Measurements Catalog

Attachment 3 – Audits and Risk Management Committee Communication Matrix

Attachment 4 – Audit Services Ethics, Professionalism, and Independence Statement

**PowerPoint presentation(s):** None

---

### **Item purpose**

The purpose of this item is to present an update on Fiscal Year 2024-25 Audit Services activities.

### **Recommendation**

This is an information item only.

### **Executive summary**

In accordance with the Audits and Risk Management (ARM) Committee Charter and in alignment with the Global Internal Audit Standards (Standards), Audit Services provides periodic updates on its activities to fulfill Audit Services mandate and approved audit plan.

***Implementation of Global Internal Audit Standards:*** Audit Services is performing a readiness assessment to identify procedures, processes and other statements or reports that need to be developed or updated as a result of the new Standards. Based on an initial analysis, we have drafted the following items to assist with conformance to the Standards.

- ✓ Audit Services Draft Strategic Plan (Attachment 1)
- ✓ Audit Services Performance Measurements Catalog (Attachment 2)
- ✓ ARM Committee Communication Matrix (Attachment 3)
- ✓ Audit Services Ethics, Professionalism, and Independence Statement (Attachment 4)

In preparation to conform to the new Standards by January 2025, additional updates to Audit Services procedures, processes, reporting, and quality assurance and improvement program are planned for November and December 2024.

***Employer Audits:*** As of September 30, 2024, employer audit staff completed 21 audits of the 110 audits in the fiscal year 2024-25 audit plan. These included audits of remuneration in addition to salary (special pay), pay rate and earnings (base compensation), and unused sick leave. Of the audits completed, we identified 23 new findings.

***Internal Audits:*** As of September 30, 2024, six internal audits in the fiscal year 2024-25 audit plan are in progress which will be reported at the next ARM Committee.

### **Background**

The Institute of Internal Auditors (IIA) is an international professional association that provides educational conferences and develops standards, guidance, and certifications for the internal audit profession. The IIA released its new Standards in January 2024 which become effective January 2025.

---

Strategic Plan linkage: [Strategic Plan - CalSTRS](#)

Board Policy linkage: [Board Governance Manual \(calstrs.com\)](#)

---