



Minnesota Judicial Branch Policy

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Audit Committee Policy

I. POLICY STATEMENT

It is the policy of the Minnesota Judicial Branch to establish an Audit Committee that provides independent oversight to the Judicial Branch's internal audit function.

II. PURPOSE

The purpose of the Audit Committee is to provide a structured, systematic oversight of the Judicial Branch's governance, risk management, and internal control practices. The Audit Committee provides support and oversight responsibility to the Internal Audit function and assists management by providing advice and guidance.

III. ORGANIZATION

The Minnesota Judicial Council shall function as the Audit Committee, and the Chief Justice shall serve as committee chair. The Chief Justice is the Chair of the Audit Committee. The committee is comprised of members of the Minnesota Judicial Council.

IV. INDEPENDENCE AND OBJECTIVITY

Ensure independence and objectivity of the internal audit function by:

- a. Ensuring a direct reporting relationship with the internal audit function to fulfil its mandate.
- b. Approving decisions regarding the appointment and removal of the Audit Manager.
- c. Providing input to senior management to support the performance evaluation of the Judicial Branch's Audit Manager.
- d. Providing the Audit Manager opportunities to discuss significant and sensitive matters with the Audit Committee.
- e. Requiring the audit function be positioned at a level in the organization that enables the internal audit services and responsibilities to be performed.
- f. Receiving reports from the Audit Manager disclosing any interference and related

implications in determining the scope of internal audit, performing work, and/or communicating results.

V. RESPONSIBILITIES

Key responsibilities of the Audit Committee include but are not limited to:

- a) Ensuring the internal audit function has unrestricted access to data, records, information, personnel, and physical properties necessary to fulfill the internal audit work.
- b) Overseeing the audit function of the Judicial Branch, reviewing the annual audit plan, resource plan, activities, independence, and organizational structure.
- c) Reviewing and approving the annual audit plan developed by the Audit Manager. The Audit Committee is authorized to offer recommendations regarding programs or activities to be audited.
- d) Reviewing the results of audits performed by the Internal Audit Unit. Review results of special investigations as needed.
- e) Assessing the adequacy of corrective actions planned and taken because of audit findings and recommendations.
- f) Setting expectations in frequency of communication between the Committee and Audit Manager.
- g) Reviewing results of annual internal and external assessments¹ of the Internal Audit Unit.

VI. REPORT BY BRANCH AUDIT MANAGER

The Branch Audit Manager shall report to the Audit Committee at least annually. The Branch Audit Manager will attend Audit Committee meetings more frequently as audit updates and circumstances may dictate.

Meetings will follow the Judicial Council meeting schedule. Special meetings may be called by the Chief Justice or the Branch Audit Manager when needed. Meetings with the Branch Audit Manager in sessions without management may occur.

The Branch Audit Manager will present the annual audit plan and any adjustments to the Committee and will deliver results of any special investigation or audit to the Committee.

VII. IMPLEMENTATION AUTHORITY

Implementation of this policy shall be the responsibility of the Judicial Council.

VIII. EXECUTIVE LIMITATIONS

Not applicable.

¹ Once every five years, the Audit Committee shall determine if an external assessment is needed more frequently. Example would include change significant staff turnover or change in Audit Manager.