Internal Audit Charter

Introduction

The Internal Audit Department at the University of West Georgia (UWG) has prepared this Charter to serve as documentation of the purpose, authority and responsibility of the department. The Charter does not include, nor is it intended to include, all of the duties and responsibilities of Internal Audit. This Charter defines the mission, scope of work, accountability, authority, independence, responsibility, and standards of audit practice of UWG’s Internal Audit Department.

Internal Audit provides independent, objective assurance and consulting activities designed to add value and improve the University’s operations. Internal Audit conforms to the Institute of Internal Auditors’ (IIA) International Standards for the Professional Practice of Internal Auditing (Standards). In addition, Internal Audit complies with the Practice Advisories, Practice Guides, and recommendations issued by the IIA to the extent that these apply.

Purpose

Internal Audit assists UWG in accomplishing its goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit works in conjunction with other offices and departments of the University of West Georgia, the University System of Georgia’s (USG’s) Office of Internal Audit (OIA) and related departments to monitor risk management and provide objective assurance, advice, and insight as needed. Internal Audit assists employees of the University in the effective discharge of their responsibilities, thereby protecting the organizational value provided by UWG and the students it serves.

Organization

The senior staff member of Internal Audit will serve as the “Director of Internal Audit” as it pertains to system-wide meetings and communications. The Director of Internal Audit reports directly to the President of the University (the “President”), and the USG Chief Audit Officer (“CAO”), as required by Board of Regents (“BOR”) Policy Manual, 7.10.2. Internal Audit does not report to any other division or unit of the University.

The Director of Internal Audit shall develop and maintain a rolling audit plan consistent with the direction of the CAO. The plan must encompass all components of UWG, and be based upon risk assessments, input from the CAO, and the UWG management team. The Director of Internal Audit will present the rolling audit plan to the President and CAO for review, approval, and
subsequent submission to the Board of Regents for approval in order to ensure the system-wide audit plan is coordinated and sufficient resources are available to complete the planned engagements.

The rolling audit plan will (1) include the top priority engagements and projects based on potential risk impacts, and (2) be adjusted, as necessary, in response to changes in the University’s business, risks, operations, programs, systems, and internal controls. Audit coverage is achieved using a combination of governance audits, process and control audits, risk management audits, and other relevant activities. In addition, Internal Audit may carry out investigations and special reviews.

The President has the authority to request audits and other engagements be added to the audit plan. These requests, after Internal Audit review, shall be submitted to the CAO who holds the delegated BOR authority to approve changes to the audit plan. The decisions to amend the approved audit plan is made in light of the institution’s risk profile, available audit resources, and the relative risk of the proposed engagement. Additionally, the CAO has the authority to direct Internal Audit to engage in specific audits.

**Authority**

In accord with the IIA’s mandatory *International Standards for the Professional Practice of Internal Auditing (Standards)* and BOR guidance, Internal Audit, shall have full, free, and unrestricted access to any and all of the University’s records, physical properties, and personnel relevant to the completion of any engagement. Accountability for the confidentiality and safeguarding of records and information entrusted to Internal Audit shall be equivalent to those employees normally accountable for the same data.

**Independence and Objectivity**

The internal audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, prepare records, or engage in any other activity that may impair internal auditor’s judgment. Internal Audit may assist management as long as that assistance does not imply ownership of the activity and does not impair Internal Audit’s objectivity.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined and will not be unduly influenced by their own interests or by others.
Responsibilities

All internal auditors shall uphold the principles of integrity, objectivity, confidentiality, and competency as defined in the IIA’s mandatory Code of Ethics and follow rules of the conduct described therein. Likewise, internal auditors will adhere to the Standards and to the following mandatory Core Principles for the Professional Practice of Internal Auditing: demonstrates integrity; demonstrates competence and due professional care; is objective and free from undue influence (independent); aligns with the strategies, objectives, and risks of the organization; is appropriately positioned and adequately resourced; demonstrates quality and continuous improvement; communicates effectively; provides risk-based assurance; is insightful, proactive, and future-focused; and promotes organizational improvement.

The Internal Audit Department’s responsibilities include, but are not limited to, the examination and evaluation of the adequacy and effectiveness of the University’s governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University’s stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the University’s strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the University.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs (e.g., Centers and Institutes) to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Performing consulting and advisory services related to governance, risk management, and controls as appropriate for the University.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the CAO.

The Director of Internal Audit is responsible for:

- Recruiting, developing, and retaining a professional staff with the appropriate skills, knowledge, experience, professional certifications, and other competencies to meet the requirements of this Charter, as well as fulfill the departments’ responsibilities.
Internal Audit Department

- Ensuring the UWG President is appropriately kept informed of the status of Internal Audits’ work.
- Interacting with the CAO to meet the expectations of the BOR.

Internal Audit performs three types of projects:

1. **Audit** – Audits are assurance engagements defined as examinations of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples include:
   a. Operational – designed to evaluate effectiveness, efficiency, and reasonableness of a unit’s operational processes.
   b. Compliance – designed to determine if activities are in compliance with applicable laws, regulations, policies, procedures, and practices.
   c. Financial – designed to examine the accounting and reporting of financial transactions.
   d. Information Systems – designed to examine the accuracy, reliability, access controls, and security of information systems.

2. **Advisory Services** – Advisory services are consulting engagements designed to add value to and improve the University’s operational, risk management and control processes. These engagements are performed upon request with appropriate approval. Consulting services offered by Internal Audit include risk and internal control assessments, operational reviews, workshops, and other consultations.

3. **Investigations** – Investigations are independent evaluations of allegations generally focused on improper organizational or employee activities including misuse of University resources, fraud, financial irregularities, internal control failures, and unethical behavior or actions.

**Quality Assurance and Improvement Program**

The Internal Audit Department will maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit activity. The program will include an evaluation of the Internal Audit Department’s conformance with the Standards, the IIA Code of Ethics and Definition of Internal Auditing. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Director of Internal Audit will communicate to senior management and the BOR CAO on the internal audit quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.
Approved and enacted on the authority of the following signatures:

Ron Richards  
Director of Internal Audit, University of West Georgia  

Dr. Kyle Marrero  
President, University of West Georgia  

Mr. Terry Thompson  
Vice Chancellor for Internal Audit & Chief Audit Officer  
Board of Regents of the University System of Georgia

Date

Aug 25, 2017
date

Aug 29, 2017
date