

Office of Internal Auditing Charter
Annual Review – Summary of Modifications

Various standards require an annual review and approval of the Office of Internal Auditing's charter. This document is the newly updated charter. Key changes to the existing charter are noted below.

- Refined scope of audit activities by distinguishing between audit & consulting and investigation activities.
- Revised responsibilities to include the duty to inform the Finance & Audit Committee and Senior Management of any significant unmitigated risks and/or noncompliance with laws, rules, policies and regulations.
- Clarified that specialized and/or technical engagements may require the use of a specialist.
- Consolidated several reporting responsibilities to improve the readability of the charter.

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MISSION

The mission of the University of North Florida's (UNF) Office of Internal Auditing (OIA) is to provide an independent, objective assurance and consulting activity designed to assist the University of North Florida in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal control, and governance processes.

SCOPE

Audit & Consulting Services

The scope of the work performed is designed to determine whether the university's risk management, internal controls, operations, and governance processes, as designed and represented by management, are adequate and functioning in a manner to reasonably ensure:

- Risks are appropriately identified and effectively managed;
- Significant financial, managerial, and operating information is accurate, reliable, and timely;
- Employees comply with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately safeguarded against loss and/or unauthorized use;
- Quality and continuous improvement are fostered in the university's control process

Investigations

The Office of Internal Auditing is responsible for investigating allegations of misconduct by university employees, including misuse of resources, violation of policies, procedures, rules, laws or regulations and gross negligence. All investigations are conducted in coordination with appropriate internal/external departments and agencies. Allegations may originate internally via the university's whistleblower mechanism or via referral from State of Florida's whistleblower/get lean mechanism.

RESPONSIBILITY

The Office of Internal Auditing is established within the university to provide a central point for the coordination of and responsibility for activities that promote accountability, integrity, and efficiency. The Office of Internal Auditing is accountable to the Audit Committee and university management:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management and/or the Finance and Audit Committee;
- Submit the aforementioned plan to the Finance and Audit Committee for review and approval;
- Execute audits, investigations and consulting services based on professional standards appropriate for the specific engagement,
- Follow up on audit issues originating from this office as well as reports and assessments issued by other internal and external entities,
- Provide and/or issue reports to university management, the Finance and Audit Committee and other appropriate parties with reports on departmental activities, including audits, investigations, consulting engagements, follow up activities and special engagements. Additionally, this office has a duty to inform the aforementioned parties of significant unmitigated risks and noncompliance with laws, rules, policies, and regulations.

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- Keep the Finance & Audit Committee informed of emerging trends and practices,
- Hire and retain professional staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter. Specialized or technical engagements may require the use of consulting experts to effectively perform and complete the engagement,
- Ensure appropriate training and education is provided to all Office of Internal Auditing department employees in accordance with applicable professional standards.
- Establish a quality assurance program by which the effectiveness and efficiency of operations can be measured.

AUTHORITY

The Office of Internal Auditing is authorized to allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish departmental objectives. In order to accomplish its objectives, the Office of Internal Auditing has unrestricted access to all functions, records, property, and personnel, and is permitted to obtain the necessary assistance of personnel in units of the university where they perform audits, as well as other specialized services from within or outside the university. The Office of Internal Auditing has full and free access to the Finance and Audit Committee and Board of Trustees.

The Office of Internal Auditing is **not** authorized to perform any operational duties for the university or its affiliates or initiate or approve accounting transactions external to the Office of Internal Auditing. Additionally, the Office of Internal Auditing is not authorized to direct the activities of any university employee not employed by the Office of Internal Auditing, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

INDEPENDENCE AND OBJECTIVITY

The Office of Internal Auditing must be independent, and internal auditors must be objective in performing their work. The director of audit is appointed by the President in consultation with the Finance and Audit Committee (FAC), reports to and is under the general supervision of the President **and** the FAC. The Office of Internal Auditing reports administratively to the university President.

STANDARDS OF AUDIT PRACTICE

The Office of Internal Auditing evaluates university processes using Committee on Sponsoring Organization (COSO) guidelines, International Standards for the Professional Practice of Internal Auditing, Government Auditing Standards and other standards as appropriate.

Approved by the Board of Trustees on (insert date) as evidenced in the corresponding minutes.