

University of North Florida

Internal Audit Charter

Introduction

This Charter identifies the mission, scope, responsibilities, and authority of the Office of Internal Auditing (OIA) at University of North Florida (UNF) and establishes a framework for complying with the *International Professional Practices Framework (Standards)* promulgated by The Institute of Internal Auditors.

Mission

The overall mission of the OIA is to provide independent, objective assurance and consulting services that adds value to and improves UNF's operations. The OIA helps UNF accomplish its objectives by bringing a systematic, disciplined approach to evaluate risk and improve the effectiveness of risk management, control, and governance processes.

Internal Audit performs three types of projects:

- Audits; assurance services defined as examinations of evidence for the purpose of providing an independent assessment of governance, risk management, and control processes for the organization. Examples include financial, performance, compliance, systems security and due diligence engagements.
- Consulting/Advisory Services; (the nature and scope of which are agreed upon with the client,) are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include reviews, recommendations (advice), facilitation, and training.
- Investigations; independent evaluations of allegations generally focused on improper governmental activities, including misuse of university resources, fraud, financial irregularities, significant control weaknesses and unethical behavior or actions.

Scope

The scope of the work performed includes:

- Evaluating the institution's risks to ensure they are appropriately identified and managed.
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
- Determining whether the systems established ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reporting whether the organization is in compliance.
- Assessing the efficiency and effectiveness of the institution's programs, plans and operations.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Ensuring quality and continuous improvement are fostered in the control process.
- Interacting with the various governance groups, as needed.

Responsibilities

Internal Audit has the responsibility to:

- Develop a flexible risk-based audit plan that includes any risks or control concerns identified by management and submit the plan for approval to the University President and Board of Trustees (BOT) Audit and Compliance Committee.
- Implement the aforementioned audit plan to provide audits and consulting services.
- Keep senior management informed of emerging trends and successful practices in internal auditing.

- Investigate allegations of fraud, waste, abuse, and other types of suspected fiscal misconduct and notify management and the State University System of Florida Board of Governors (BOG) of the results in accordance with regulations.
- Establish and maintain a quality assurance and improvement program (QAIP) by assessing the operations of internal audit activities and obtaining an external assessment as required by the Standards. The Chief Audit Executive will periodically report the QAIP results to the board and senior management, at minimum, every five years.
- Perform or coordinate other consulting services or activities for the purpose of assisting management in meeting its objectives, promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations. These activities may include facilitation, training and advisory services.
- Provide guidance and advice on control and risk aspects of new policies, systems, processes and procedures.
- Assist with the institution's Enterprise Risk Management and Compliance Programs to facilitate the identification of key institutional risks but without serving as a risk owner.
- Review the effectiveness of governance processes to include the promotion of ethical behavior and efficiency of organizational performance management and accountability.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Ensure effective coordination and cooperation with external auditors with a view toward avoiding any duplication of effort.
- Assist and provide technical advice and support to the BOT Audit and Compliance Committee in its oversight of Direct Support Organizations, as requested, which may include efforts to review related financial statements, external audit reports and selection of external auditors/consultants.

The Board of Trustees, or as delegated to the Audit and Compliance Committee by the Board Chair, will:

- Approve the Internal Audit Charter.
- Annually, review and approve the plan of work to be performed by the Office of Internal Audit.
- Quarterly, receive communications from the Chief Audit Executive on the internal audit activity relative to the plan and other matters.
- Make inquiries of management and the Chief Audit Executive regarding scope and resources.

Authority

Authority is granted for the OIA to have full, free and unrestricted access to any and all UNF records, physical properties and personnel relevant to any function under review. All employees are directed to assist the OIA in fulfilling its function. Documents and information reviewed will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

University management is responsible for the risk management and internal control structure over the areas audited. The OIA has no direct responsibility or authority over activities or operations that they review.

Independence & Organization

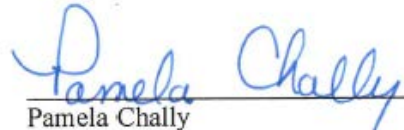
The OIA must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. The OIA shall have an impartial, unbiased attitude and avoid conflicts of interest. To foster this independence, the President, in consultation with the BOT Audit and Compliance Committee, will review and concur in the appointment, evaluation, replacement or dismissal of the Chief Audit Executive. The OIA will report administratively to the Office of the President under the general supervision of the President with a dual-reporting relationship to the BOT Audit and Compliance Committee as reiterated by the State University System of Florida regulations. At any time, the BOT Audit and Compliance Committee and University President may request audits or advisory services. The requests are prioritized, added

to the audit plan and completed based on available resources and in relation to the relative risk. The BOT Audit and Compliance Committee has the authority to direct the OIA to audit specific areas at UNF, as needed. The Chief Audit Executive will report material and significant audit issues to the President, Chair of the Audit and Compliance Committee, Chair of the UNF Board of Trustees, and to the State University System of Florida BOG, when applicable.

Professional Standards

The OIA must and shall adhere to The Institute of Internal Auditors' Code of Ethics. The Standards must and shall constitute the operating guidance for the OIA. The Institute's Practice Advisories will be adhered to as applicable. In addition, the OIA will adhere to UNF policies and procedures, as well as those of the State University System of Florida BOG.


Julia Hann
Chief Audit Executive


Pamela Chally
Interim President


Paul McElroy
Chair, Audit and Compliance Committee


Kevin Hyde
Chair, Board of Trustees

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