

# UNIVERSITY OF SOUTH AUSTRALIA



## INTERNAL AUDIT CHARTER

### 1 THE CHARTER

- 1.1 This charter establishes the authority and responsibility conferred by the Council of the University of South Australia on Planning and Assurance Services with respect to the carrying out of internal auditing functions.

### 2 ROLE AND OBJECTIVE OF INTERNAL AUDIT

- 2.1 Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University's risk management, control and governance processes.
- 2.2 The internal audit function assists Council and management of the University in the effective discharge of its responsibilities by providing independent analysis, appraisals, advice and recommendations concerning the activities reviewed.
- 2.3 The attainment of the overall objective may involve:
- 2.3.1 reviewing and appraising the adequacy and effectiveness of the system of internal control;
  - 2.3.2 appraising the relevance, reliability and integrity of information;
  - 2.3.3 reviewing compliance with those policies, plans, procedures, statutory requirements and regulations which could have a significant impact on operations;
  - 2.3.4 reviewing the means of safeguarding assets and as appropriate verifying the existence of such assets;
  - 2.3.5 appraising the economy, efficiency and effectiveness with which resources are employed;
  - 2.3.6 reviewing operations or programs to ascertain whether results are consistent with the University's established objectives and goals and whether the operations or programs are being carried out as planned;
  - 2.3.7 maintaining a program of development, review and assessment to enhance the integrity and usefulness of the University's risk management processes

- 2.3.8 conducting special assignments and investigations as authorised by the Vice Chancellor or Audit and Risk Management Committee into any matter or activity affecting the interests of the University.

### **3 INDEPENDENCE**

- 3.1 Internal auditors are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render impartial and unbiased judgements. It is achieved through organisational status and objectivity.
- 3.2 The Director: Planning and Assurance Services shall be subject to appointment by resolution of the Council and any questions of appointment, dismissal, replacement, or reassignment shall be determined by resolution of the Council on the recommendation of the Audit and Risk Management Committee.
- 3.3 The Director: Planning and Assurance Services (the Director) is the chief audit executive. Internal audit personnel report to the Director. The Director shall:
  - 3.3.1 have direct access to the Chancellor in relation to audit matters;
  - 3.3.2 on audit matters, report to the Vice Chancellor and the Audit and Risk Management Committee;
  - 3.3.3 report administratively to the Pro Vice Chancellor: Strategy and Planning.

### **4 AUTHORITY**

- 4.1 The authority of the Director in relation to internal audit matters is derived from the Council which requires the establishment of an effective internal audit function.
- 4.2 Internal auditors of the University shall:
  - 4.2.1 have access at all reasonable times to the books, documents, accounts, property, vouchers, records, correspondence and other data of the University which are necessary for the proper performance of internal audit duties;
  - 4.2.2 have the right at reasonable times to enter any premises of the University to request any employee of the University to furnish all information and explanation deemed necessary for them to form an opinion on the adequacy of systems and or controls. The employee concerned shall respond promptly to such enquiries.
- 4.3 University employees shall render every assistance to the internal auditors in carrying out their audit duties.

## **5 ACCOUNTABILITIES**

- 5.1 The Director shall be accountable to the Vice Chancellor and the Audit and Risk Management Committee for the:
  - 5.1.1 development, implementation and oversight of internal audit methods and procedures;
  - 5.1.2 development and control of an efficient internal audit program;
  - 5.1.3 scope and boundaries of audits;
  - 5.1.4 fulfilment of the objectives of internal auditing
  - 5.1.5 utilisation of designated Planning and Assurance Services resources to maximise the efficiency and effectiveness of the internal audit function;
  - 5.1.6 maintenance of appropriate auditing standards.

## **6 SCOPE OF INTERNAL AUDIT**

- 6.1 The scope of internal audit shall be sufficiently comprehensive to meet the needs of management and Council.
- 6.2 The internal audit coverage may extend to all areas of the University and its controlled entities.

## **7 AUDIT PROGRAM**

- 7.1 A strategic plan providing for the review of significant operations of the University based on an assessment of risk pertaining to the achievement of University objectives shall be prepared for the approval of the Audit and Risk Management Committee.
- 7.2 An annual internal audit work plan consistent with the long term strategic plan and the role and objectives of internal audit shall be prepared, in consultation with management, for the approval of the Audit and Risk Management Committee.

## **8 AUDIT REPORTS**

- 8.1 Reports will be made available on a timely basis to the Vice Chancellor and Audit and Risk Management Committee on all significant findings and issues arising from the internal audit work program.

## **9 AUDIT STANDARDS**

- 9.1 Internal auditing standards shall be consistent with the International Standards for the Professional Practice of Internal Auditing (Standards) as documented in the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors. Audit staff are expected to abide by the Institute of Internal Auditors' Code of Ethics.