



Office of Inspector General **Internal Audit Charter**

Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. The Office of Inspector General (OIG) at Florida Atlantic University administers the Audit Program for the university with the objective of assisting management of the university and the Board of Trustees in the effective discharge of their responsibilities. To this end, OIG provides management and the university Board of Trustees with objective examinations of operations (assurances services) and consulting and advisory services related to governance, risk management, and control processes without assuming management responsibility.

Mission

The Office of Inspector General serves the university, and to a limited extent its direct support organizations, by providing a central point for coordination of, and responsibility for, activities that promote accountability, integrity, efficiency, and compliance.

Organization, Independence, Authority

The Inspector General (chief audit executive) reports functionally to the Board of Trustees through its Audit and Compliance Committee, and administratively to the university president. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit findings, planned actions and published reports.

In performing its function, OIG has no direct responsibility or authority over any of the activities it reviews. Therefore, the audit, review or appraisal does not relieve other persons in the university of the responsibilities assigned to them. OIG is authorized full and unrestricted access to all records, either electronic or manual, university personnel, and physical facilities necessary to carry out its activities. Documents and information provided to OIG staff during an engagement are handled in the same prudent manner as by those employees normally accountable for them.

Professional Standards and Ethics

The OIG staff members have a responsibility to those they serve and should refrain from entering into any activity that may create a conflict of interest. They have an obligation of self-discipline above and beyond the requirements of laws and regulations. They should uphold and demonstrate qualities of integrity, honesty, loyalty, morality, dignity, and confidentiality consistent with the university's ethics policy, and the Institute of Internal Auditors (IIA) Code of Ethics. The Institute's International Standards for the Professional Practice of Internal Auditing shall constitute the operating principles for the office. OIG also subscribes to the standards established by the Florida Board of Governors Regulation 4.002, *State University System Chief Audit Executives*, which provides policy and operational guidance for the internal audit function consistent with IIA standards.

Duties and Responsibilities

(a) Prepare an annual risk-based internal audit plan consisting of a work schedule as well as resource requirements for the next fiscal year. The annual plan will be submitted to the president and the Audit and Compliance Committee for review and approval. The Inspector General (chief audit executive) will communicate the impact of resource limitations and significant interim changes to the president and the committee;

(b) Conduct and coordinate internal audits, consulting services, and investigations (that fall within the purview of OIG) relating to the programs and operations of the university and its direct support organizations;

(c) Conduct, supervise, or coordinate other activities carried out or financed by the university for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

(d) Investigate allegations of fraud, waste, abuse and other wrongdoing;

(e) Receive complaints and coordinate all activities of the university and direct support organizations as required by the Whistle-blower's Act pursuant to Sections 112.3187-112.31895, Florida Statutes;

(f) Keep the university president, management and the Audit and Compliance Committee informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the university, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action;

(g) Ensure effective coordination and cooperation between the Florida Auditor General, federal auditors, and other governmental bodies and external auditors with a view toward avoiding duplication;

(h) Review, as appropriate, rules relating to the programs and operations of the university and make recommendations concerning their impact;

(i) Monitor implementation of audit recommendations issued by OIG and the Florida Auditor General. The Audit and Compliance Committee will be provided with timely reports on the status of corrective actions taken to address the recommendations; and,

(j) Provide the president and the Audit and Compliance Committee with an annual report by September 30th, summarizing OIG activities for the previous fiscal year.

In the performance of these services, OIG will ensure that an appropriate balance is maintained between audit, investigative, and other activities. Detailed operational procedures for the Office of Inspector General have been established for the effective and efficient administration of the internal audit activity.

Quality Assurance and Improvement Program

OIG will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the office's conformance with the Institute of Internal Auditor's professional standards and whether internal auditors apply the Institute's Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Inspector General (chief audit executive) will communicate to senior management and the board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

Revised Jan 2017

Approved May 2017 by University President, Board of Trustees Chair, Audit & Compliance Committee Chair, and University Chief Audit Executive.