

INTERNAL AUDIT CHARTER

Introduction

Internal auditing is an independent, objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of Albany State University (ASU). It assists ASU in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of ASU's risk management, control, and governance processes.

Mission and Scope of Work

The mission of the Internal Audit Department (the Department) at Albany State University (ASU) is to provide support services that align with the short and long term goals and strategic plans of ASU and the Board of Regents. The internal audit activity accomplishes this by providing comprehensive, independent, and objective appraisals of operations, business processes and departmental activities designed to promote ASU's mission toward academic excellence and to ensure compliance with state and federal regulations, established policies, procedures, and sound business practices.

The scope of work encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of governance, risk management, compliance, internal control and the quality of performance in carrying out assigned responsibilities. The scope may vary by area and may include:

- Evaluating the campus' risks to ensure they are appropriately identified and managed.
- Reviewing the effectiveness of governance processes such to include the promotion of ethical behavior and efficiency of organizational performance management and accountability.
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
- Reviewing the systems established to ensure compliance with policies, plans, procedures, laws, and regulations which could have a significant impact on operations.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Consulting and educating on financial and operational processes, controls, related risks, and exposure; providing guidance and advice on control and risk aspects of new policies, systems, processes, and procedures.
- Reviewing the effectiveness and efficiency with which resources are employed.
- Reviewing specific operations at the request of the University President or Chief Audit Officer/Associate Vice Chancellor (CAO) from the Board of Regents, as appropriate.

- Reviewing the quality of performance of external auditors and the degree of coordination with Internal Audit.
- Investigate reported occurrences of fraud, embezzlement, theft, waste, etc., and recommend controls to prevent or detect such occurrences.
- Analyzing and reviewing public private ventures undertaken by ASU cooperative organizations, as appropriate.

<u>Independence</u>

To provide for the independence of the Department, its personnel report directly to the University President with a dual responsibility to the Chief Audit Officer /Associate Vice Chancellor (CAO) of the Board of Regents of the University System of Georgia as described in the Board of Regents Policy Manual, Section 7.10.2. The President of ASU may request advisory service projects at his/her discretion. The CAO has the authority to instruct the Department Director to audit specific areas at the University as needed to fulfill the system wide audit plan. The dual reporting role provides assurances that both a broad range of audit coverage and adequate consideration to the effectiveness of governance, risks, and controls will be accomplished. The CAO will report all significant audit issues directly to the Chair of the Committee on Internal Audit, Risk, and Compliance and to the Chancellor.

Responsibility

The Department Director and staff of the Internal Audit Department have responsibility to:

- Develop a flexible annual rolling audit plan using appropriate risk-based methodology, including any risks or control concerns identified by University management, and submit that plan to the Board for review and approval.
- Implement the annual rolling audit plan, as approved, including, any special tasks or projects requested by the University President or CAO, as appropriate.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Establish a quality assurance program by which the Department Director assures the operation of internal auditing activities.
- Issue periodic reports to the Board and University management summarizing results of audit activities.

Authority

To the extent permitted by law, the Department has full access to all activities, records, properties, and personnel within Albany State University. The Department is authorized to review and appraise all polices, plans and procedures. Documents and information given to an Internal Auditor during a review will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

The Department will have no direct responsibility or authority for any of the activities or operations it reviews. The department will not develop and install procedures, prepare records, or engage in

activities that would normally be reviewed by internal auditors. Furthermore, an internal audit does not in any way relieve other university personnel of their responsibilities.

Standards of Audit Practice

The Department will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance, including the Definition of Internal Auditing, the Code of Ethics, and the <u>International Standards for the Professional Practice of Internal Auditing</u>. This mandatory guidance constitutes statements of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audits activity's performance and constitute an addendum to this charter.

The Institute of Internal Auditor's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. Additionally, the Department adheres to the policies and procedures of the Board of Regents of the University System of Georgia as well as those of Albany State University.

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	Date
Mr. John M. Fuchko, III	

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