

## Memorial University of Newfoundland

### The Office of Internal Audit Charter

## Purpose

The purpose of the internal audit function is to strengthen Memorial University's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances Memorial University's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Memorial University's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board of Regents through its Audit and Finance Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

### *Commitment to Adhering to the Global Internal Audit Standards*

The Memorial University's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. Also refer to Memorial University's [Internal Audit Policy](#).

## Mandate

### *Authority*

The Memorial University's internal audit function's authority is created by its direct functional reporting relationship to the Board of Regents. Such authority allows for unrestricted access to the Board of Regents.

The Board of Regents authorizes the internal audit function to:

## Memorial University of Newfoundland The Office of Internal Audit Charter

---

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Memorial University and other specialized services from within or outside Memorial University to complete internal audit services.

### *Independence, Organizational Position, and Reporting Relationships*

The University Auditor is positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See "Mandate" section.) The University Auditor will report functionally through the Audit and Finance Committee to the Board of Regents and administratively (i.e. day-to-day operations), the internal audit function will report to the President and Vice-Chancellor. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board of Regents, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The University Auditor will confirm to the Board of Regents, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the University Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The University Auditor will disclose to the Board of Regents any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

### **The Board of Regents Oversight**

To establish, maintain, and ensure that Memorial University's internal audit function has sufficient authority to fulfill its duties, the Board of Regents will:

- Discuss with the University Auditor and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the University Auditor has unrestricted access to and communicates and interacts directly with the Board of Regents, including in private meetings without senior management present.
- Discuss with the University Auditor and senior management other topics that should be included in the internal audit charter.

## Memorial University of Newfoundland The Office of Internal Audit Charter

---

- Participate in discussions with the University Auditor and senior management about the “essential conditions,” described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter with the University Auditor to consider changes affecting the organization, such as the employment of a new University Auditor or changes in the type, severity, and interdependencies of risks to the organization.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function’s human resources administration and budgets.
- Review the internal audit function’s expenses.
- Provide input to senior management on the appointment and removal of the University Auditor, ensuring adequate competencies and qualifications to enable conformance with the Global Internal Audit Standards.
- Review and provide input to senior management on the University Auditor’s performance.
- Receive communications from the University Auditor about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Make appropriate inquiries of senior management and the University Auditor to determine whether scope or resource limitations are inappropriate.

### University Auditor Roles and Responsibilities

#### *Ethics and Professionalism*

The University Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization’s ethical expectations, as described in applicable policies and procedures.

### *Objectivity*

The University Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the University Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Memorial University or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Memorial University employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the University Auditor, the Board of Regents, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### *Managing the Internal Audit Function*

The University Auditor has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Board of Regents and senior management. Discuss the plan with the Board of Regents and senior management and submit the plan to the Board of Regents for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Board of Regents and senior management.

## Memorial University of Newfoundland The Office of Internal Audit Charter

---

- Review and adjust the internal audit plan, as necessary, in response to changes in Memorial University's business, risks, operations, programs, systems, and controls.
- Communicate with the Board of Regents and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Board of Regents and senior management and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Memorial University and communicate to the Board of Regents and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to Memorial University's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Board of Regents and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the University Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Board of Regents.

### ***Communication with the Board of Regents and Senior Management***

The University Auditor will report to the Board of Regents and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.

## Memorial University of Newfoundland The Office of Internal Audit Charter

---

- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Board of Regents that could interfere with the achievement of Memorial University's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Memorial University's risk appetite.

Please refer to Appendix A for further information regarding communication of reports and frequency.

### Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all of Memorial University's activities, assets, and personnel. Auditable areas can be reflected in an audit universe model that can be used to demonstrate audit coverage. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board of Regents and management on the adequacy and effectiveness of governance, risk management, and control processes for Memorial University.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Memorial University's strategic objectives are appropriately identified and managed.
- The actions of Memorial University's officers, directors, management, employees, and contractors or other relevant parties comply with Memorial University's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Memorial University.

## Memorial University of Newfoundland The Office of Internal Audit Charter

---


- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

### ***Quality Assurance and Improvement Program***

The University Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

**Approved by the Board of Regents at its meeting on March 6, 2025**

### **Acknowledgments/Signatures**

  
University Auditor

March 6, 2025  
Date

  
Chair of the Board of Regents

March 19, 2025  
Date

  
President and Vice-Chancellor

March 19, 2025  
Date

# Memorial University of Newfoundland

## The Office of Internal Audit Charter

---

### Appendix A

#### The Office of Internal Audit Communications Matrix

Type of Communication	Purpose	Frequency	PEC	AFC	Board
Assurance and Advisory Strategic Objectives	Approval	5 years	✓	✓	✓
Annual Assurance and Advisory Plan	Approval	Annually	✓	✓	✓
Year End Summary (incl. status of open recommendations and progress on objectives)	Information	Annually	✓	✓	✓
Mid-year Status of Open Recommendations	Information	Annually	✓		
Exec. Summary of Internal Audit Report Rated High or greater	Information	As required	✓	✓	✓
Exec. Summary Internal Audit Report Rated Moderate	Information	As required	✓	✓	
Exec. Summary Internal Audit Report Rated Low or less	Information	As required	✓		
Internal Audit Status of Activity	Information	As required	✓	✓	
Distribution list for Internal Audit Reports of findings and recommendations:					
Relevant Unit Heads	Consultation and Management's Response				
President's Advisory Team (PEC)	Consultation and Management's Response				
Final reports issued to the following					
University Vice-Presidents	For information purposes				
President and Vice-Chancellor	For information purposes				
Chair of the Audit and Finance Committee (AFC)	For information purposes				
Relevant Unit Head	For information purposes				