

Memorial University of Newfoundland The Office of Internal Audit Charter

Purpose and Mission

The purpose of Memorial University of Newfoundland's Office of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Office of Internal Audit helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

The Office of Internal Audit governs itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. Also see the [Internal Audit Policy](#).

Authority

The University Auditor reports functionally to the Board of Regents through its Audit and Risk Committee and administratively (i.e., day-to-day operations) to the President and Vice-Chancellor.

In order to establish, maintain, and assure that the University's Office of Internal Audit has sufficient authority to fulfill its duties, the Board of Regents:

- Approves the Office of Internal Audit's charter.
- Approves the risk-based internal audit plan.
- Approves the Office of Internal Audit's budget and resource plan.
- Receives communications from the University Auditor on the Office of Internal Audit's performance relative to its plan and other matters.
- Approves decisions regarding the appointment and removal of the University Auditor.
- Approves the remuneration of the University Auditor.
- Makes appropriate inquiries of management and the University Auditor to determine whether there is inappropriate scope or resource limitations.

The University Auditor has unrestricted access to, and communicates and interacts directly with, the Board of Regents, including private meetings without management present. The Board of Regents authorizes the Office of Internal Audit to:

- Have full, free and unrestricted access to all functions, University records, property, systems, physical assets, and members of the University including access to the Board of Regents, as well as to the President.
- Allocate Office of Internal Audit resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of Members of the University where audits are being performed.
- Engage specialized expertise, as needed.
- Conduct investigations of possible fraudulent activity
- Determine the contents of Office of Internal Audit reports summarizing the results of their work.

Independence and Objectivity

The University Auditor ensures the Office of Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the University Auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment must be disclosed to

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appropriate parties. Where the University Auditor has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. The University Auditor will confirm to the Board of Regents, at least annually, the organizational independence of the Office of Internal Audit.

The University Auditor will disclose to the Board of Regents any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board of Regents, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the University. See also the [Internal Audit Policy](#).

The University Auditor reports periodically to senior management and the Board of Regents regarding:

- The Office of Internal Audit's purpose, authority, and responsibility.
- The Office of Internal Audit's plan and performance relative to its plan.
- The Office of Internal Audit's conformance with The Institute of Internal Auditor's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Board of Regents.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the University.

Please refer to [The Office of Internal Audit Communications Matrix \(Appendix A\)](#) for further information regarding the types of reports provided to senior management and the Board of Regents.

The University Auditor also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The Office of Internal Audit may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the Office of Internal Audit does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The University Auditor has the responsibility to:

- Submit, at least annually, to senior management and the Board of Regents a risk-based internal audit plan for review and approval.
- Communicate to senior management and the Board of Regents the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in the University's business, risks, operations, programs, systems, and controls.
- Communicate to senior management and the Board of Regents any significant interim changes to the internal audit plan.

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- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Board of Regents any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Office of Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact the University are considered and communicated to senior management and the Board of Regents as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Ensure adherence to the University's relevant policies and procedures.

Quality Assurance and Improvement Program (QAIP)

The Office of Internal Audit will develop a QAIP that covers all aspects of the Office of Internal Audit including an assessment of efficiency and effectiveness of the Office of Internal Audit. The QAIP will include an evaluation of the Office of Internal Audit's conformance with the Standards and the Institute of Internal Auditor's Code of Ethics. The University Auditor will communicate to senior management and the Board of Regents on the results of periodic internal assessments and external assessments conducted at least once every five years by a qualified, independent assessor.

Approval and Signatures



Jennifer Dove
University Auditor

Date *Sept 27, 2017*



Dr. Gary Kachanoski
President and Vice-Chancellor

Date *Nov. 2, 2017*



Iris Petten
Chair of the Board of Regents

Date *Oct 25, 2017*

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Appendix A

The Office of Internal Audit Communications Matrix

Type of Communication	Purpose	Frequency	VPC	ARC	Board
Internal Audit Strategic Objectives	Approval	5 years	✓	✓	✓
Annual Internal Audit 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	Each meeting	✓	✓	
Distribution list for Internal Audit Reports of findings and recommendations:					
Relevant Unit Heads	Consultation and Management's Response				
Vice-Presidents Council (VPC)	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 Risk Committee (ARC)	For information purposes				
Chief Risk Officer	For information purposes				
External Audit Partner	For information purposes				