

**UNC GENERAL ADMINISTRATION**  
**INTERNAL AUDIT CHARTER**

**Purpose**

Internal Audit conducts reviews of UNC General Administration records and operations and reports the results of these reviews to management. The mission of Internal Audit is to assist management by providing independent, objective analyses of UNC General Administration and its sub-agencies' activities, to provide consulting services designed to add value and to improve the organization's operation, both fiscally and through strong internal controls. Internal Audit helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**Audit Standards and Code of Ethics**

All Internal Audit projects will be conducted in keeping with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics issued by The Institute of Internal Auditors. Internal Audit is expected to consistently demonstrate high standards of conduct and ethics as well as appropriate judgment, independence, and discretion.

**Scope**

The scope of work of Internal Audit is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Audit findings are addressed and rectified and then followed up on to assure continuation of adequate controls/processes.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control process.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.

As audits are performed, to accomplish goals set forth above, Internal Audit will discuss the results of each project with staff in the area being reviewed. These meetings help ensure that findings and recommendations are valid and understood. When appropriate, these issues will be presented in a written report after a project is complete. Management will have an opportunity to review draft reports and to comment, in writing, relative to final reports. Such comments will be included in the final version of the report. Written reports will be addressed to the Chief of Staff and the Vice President of Finance, with copies provided to management of the area audited, the Associate Vice President for Finance, and other appropriate officials.

### **Authority**

To the extent permitted by law, the Director and staff of Internal Audit are authorized to:

- Have full and complete access to all UNC-General Administration books, records (both manual and electronic), property, and personnel.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization under review.

The Director and staff of Internal Audit are not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Initiate or approve accounting transactions external to Internal Audit.
- Make decisions that are the responsibility of management.

The Director of Internal Audit, in the discharge of his/her duties, shall be accountable to the Board of Governor's Audit Committee to:

- Provide annually the internal audit plan for the upcoming fiscal year.
- Provide annually an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Quarterly, provide information on the status and results of the annual audit plan and the sufficiency of the internal audit department resources.
- Coordinate and provide oversight of other controls and monitoring functions such as risk management, compliance, security, legal, ethics, environmental, and external audits.

### **Independence**

Internal Audit reports directly to the Associate Vice President of Finance and the Chairman of the Board of Governor's Audit Committee. The Director of Internal Audit reports administratively to the Associate Vice President of Finance for audit related matters. These reporting relationships promote independence and assure adequate consideration of audit findings and recommendations. The Director shall have full and independent access to the Associate Vice President of Finance and the Chairman of the Board of Governors Audit Committee.

The internal audit activity should be free from interference in determining the scope of internal auditing, performing work, and communicating results. To provide for the independence of Internal Audit, the Director of Internal Audit, reports administratively to the Associate Vice President of Finance and functionally to the Board of Governor's Audit Committee. The Director shall have full and independent access to the Associate Vice President of Finance and the Audit Committee.

Approved by the Board of Governors of the University of North Carolina



Chair