



## ***INTERNAL AUDIT CHARTER***

### **MISSION AND SCOPE**

The mission of Internal Audit and Advisory Services (IAAS) is to provide independent, objective assurance and consulting function of University activities, providing a service to the Idaho State Board of Education's Audit Committee and to the management of Boise State University. IAAS accomplishes its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risks management, control and governance processes. In pursuit of our mission, IAAS will serve as value-driven internal consultants, change agents, business analysts, risk assessors and quality advocates.

The Idaho State Board of Education and the management of Boise State University have established a network of risk management, control, and governance processes. These processes are meant to provide reasonable assurance that:

- Financial, managerial, and operating information is accurate, reliable, and timely.
- University business is conducted in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and are adequately protected.
- University programs, plans, and objectives are achieved.
- Interaction with the various governance groups occurs as needed.
- Quality and continuous improvements are fostered in the organization's control process.

### **ORGANIZATION / INDEPENDENCE**

The IAAS Director reports functionally to the State Board of Education's Audit Committee and administratively to the University President. IAAS personnel report to the Audit Director. The Audit Director, at any time, may request direct communications with a member of the Board's Audit Committee or with the University President. Termination of the Audit Director must be reviewed and approved by the State Board of Education's Audit Committee. Individually, auditors are required to follow independence requirements specified by the IIA Professional Practices Framework.

### **AUTHORITY**

The IAAS Director and staff are authorized to:

- Have unrestricted access to all University functions, systems, records, property and personnel.
- Have full and free communication with the State Board of Education's Audit Committee.

- Have adequate audit resources, determine types of audits to perform, determine the frequency of audits, establish audit scopes of work, and apply techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the University where they perform audits, as well as other specialized services from within or outside the University.

The IAAS Director and staff are not authorized to:

- Perform operational duties for the University or its affiliates.
- Initiate or approve accounting transactions external to the internal auditing department.
- Approve changes to accounting processes or systems.
- Direct the activities of any University employee not employed by the Internal Audit and Advisory Services, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

As part of its consulting role IAAS may be asked to provide input into the development of new policies, procedures, systems or processes. IAAS may provide such input provided it does not impair audit independence. Ultimately, management is responsible for making the final decisions on changes to policies, procedures, systems, or processes.

## **RESPONSIBILITY**

IAAS's primary responsibilities are to:

- Provide an annual assessment on the adequacy and effectiveness of the organizations processes, for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Develop a flexible annual audit plan. The plan shall include input from senior managers. The annual audit plan is reviewed by the University President and approved by the State Board of Education's Audit Committee.
- Provide an annual summary of audit activity to the State Board of Education's Audit Committee and to the University President. The summary will include the status and results of audit engagements and the audit plan. It will also include an assessment of the adequacy of audit resources.
- Provide an annual summary of fraud prevention procedures and a summary of responses to fraud allegations.
- Report significant issues relating to processes for controlling the activities of the University and its affiliates to the State Board of Education's Audit Committee and the University President.
- Implement the annual audit, as approved, including any special tasks or projects requested by management and update it as needed.
- Maintain a professional audit staff with sufficient knowledge skills, experience and professional certifications.
- Establish a quality assurance program by which the director assures the operations of the internal audit function.
- Perform consulting services, beyond internal audit's assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.

- Keep University management informed of emerging trends and successful practices in internal auditing.
- Respond to allegations of suspected fraudulent, wasteful, or abusive activities within the University. IAAS will coordinate such work, if warranted, with appropriate University personnel, Office of the State Board of Education staff and/or State Board of Education Audit Committee members.

### **AUDIT STANDARDS AND ETHICS**

All audit work will be performed in accordance with the *Standards for the Professional Practice of Internal Auditing* and Code of Ethics promulgated by the Institute of Internal Auditors, Inc.