

Florida Gulf Coast University Office of Internal Audit Charter

Mission and Scope of Work

Internal Auditing is an independent, objective assurance and consulting function designed to add value and improve the University's operations. It assists Florida Gulf Coast University (FGCU) accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the internal audit activity 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.
- Interaction with the various governance groups occurs as needed.
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.
- Allegations of fraud, waste, abuse and other wrongdoing are investigated. When appropriate, coordinate investigative work with the University police.
- Complaints received under the State's Whistle-blower law are investigated.
- Management's planned corrective actions significant internal and external audit observations and recommendations are implemented.
- Consulting services to University programs that relate to internal controls and other operational areas.
- Effective coordination and cooperation with external auditors provided to avoid duplication of audit effort.
- Professional audit staff with sufficient internal audit knowledge, skills and experience to meet the requirements of this charter.

Opportunities for improving management control, effectiveness and the University's reputation may be identified during audits. They will be communicated to the appropriate level of management.

Accountability

The Director of Internal Audit, in the discharge of his/her duties, shall be accountable to the President and, through the President, to a designated member of the University Board of Trustees to:

- Provide annually an assessment on the adequacy and effectiveness of the University'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 University, including potential improvements to those processes, and provide information concerning such issues through resolution.

- Periodically provide information on the status and results of the annual audit plan and the sufficiency of activity resources to the President and other appropriate officers of the University.
- Coordinate with other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit).

Independence

To provide for the independence of the internal auditing activity, Internal Audit's staff report to the Director of Internal Audit. In turn, the Director reports administratively to the President. As required by Institute of Internal Auditors Standard 1110, the Director of Internal Audit must confirm to the Board of Trustees, at least annually, the organizational independence of the internal audit activity. To protect the independence of the Office of Internal Audit, the President will discuss with the Chairman of the Board, as he does for all his direct reports, changes in the Internal Audit Director's employment status.

Standards of Professional Audit Practice

The internal audit activity will meet or exceed the *Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. With the adoption of these standards, the Office of Internal Audit prescribes to the Code of Ethics promulgated by the Institute of Internal Auditors. Internal Audit is further committed and prescribes to the guiding principles of integrity, fairness, and objectivity.

Authority

The Director of Internal Audit and staff of the internal audit activity are authorized to:

- Have full, free, and unrestricted access to all University information, documents, records, and personnel deemed necessary to carry out its duties and responsibilities. Internal Audit will handle all information obtained during an engagement in the same prudent manner as the employees normally accountable for the information.
- Through the President, have access to the Chair or designee of the Finance and Administration Committee of the FGCU Board of Trustees. The Finance and Administration Committee has audit among its responsibilities.
- Manage budgets, establish audit schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance and cooperation of personnel in units of the university where Internal Audit performs audits, as well as other specialized services from within or outside the university.

The Director of Internal Audit and staff of the internal audit activity are ***not*** authorized to:

- Perform any operational duties for the university.
- Initiate or approve accounting transactions external to the internal auditing activity.
- Direct the activities of any university employee not employed by the Internal Audit Office, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

Quality Assurance Program

The Office of Internal Audit will maintain a quality assurance program to evaluate its operations. The purpose of this program is to provide reasonable assurance that its audit work conforms to the Institute of Internal Auditors (IIA) *Standards*, and includes training, supervision, internal reviews and external reviews.

External assessments of the Office of Internal Audit shall be performed at least once every five years by a qualified, independent reviewer, in accordance with the IIA *Standards*.

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