Office of the Internal Auditor

Internal Audit Charter

Mission

The Office of the Internal Auditor is an independent, objective appraisal activity designed to add value and improve the University’s operations. The internal audit function assists University management in accomplishing objectives by bringing a systematic, disciplined approach to the review of individual operations primarily through the evaluation of internal controls.

Authority

To provide for the independence of the Office of the Internal Auditor, its Director reports functionally to the Chancellor. Additionally, the Director has a clear and recognized reporting relationship with the Chair of the Audit Committee of the Board of Trustees.

The Office of the Internal Auditor is authorized to select subjects, determine scopes of work, and apply resources required to accomplish objectives. It has unrestricted access to all functions, records, property and personnel under review, to the extent permitted by law. It is authorized to obtain the assistance of University personnel where necessary to perform audit activities.

Independence

In order to perform responsibilities in an unbiased manner, the Office of the Internal Auditor must report to a level within the University that allows objective accomplishment of internal audit responsibilities. To promote independence and objectivity, the Chancellor provides administrative direction. In addition, the Director of Internal Audit reports periodically to the Audit Committee of the Board of Trustees, which serves in an oversight capacity in accordance with the duties and responsibilities defined in the Audit Committee Charter.

Responsibility

The following are the principal duties and responsibilities of the Office of the Internal Auditor:

- Develop a flexible annual internal audit plan using appropriate risk-based methodology with consideration for the scope of external auditors. Submit a summary of the annual plan to the Chancellor and the Audit Committee for approval. Implement the annual audit plan, as approved by the Audit Committee, including revised or unscheduled tasks requested by management and the Committee as appropriate.

- Issue audit reports to the Chancellor summarizing the results of audit activities. Submit quarterly reports to the Audit Committee. At minimum, report material (significant) reportable conditions, the corrective action plan for these conditions and the resolution once these conditions have been corrected.

- Comply with all requirements of the Board of Governors and/or the North Carolina Legislature relating to internal audit matters.

Standards

In the performance of its responsibilities, the Office of the Internal Auditor intends to conduct its activities in line with the North Carolina Internal Audit Act, International Standards for the Professional Practice of Internal Auditing, and when appropriate, the Government Auditing Standards.

Dr. Linda P. Brady, Chancellor

Donald C. Skeen, Director of Internal Audit

Jean E. Davis, Chair of the Audit Committee

1-23-10

1-22-10