

# Georgia State University Internal Audit Charter

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## **PURPOSE**

Consistent with The Institute of Internal Auditors' (IIA's) International Professional Practices Framework mandatory Definition of Internal Auditing, University Auditing and Advisory Services (UAAS) is an independent, objective assurance and consulting activity designed to add value and improve operations. It helps Georgia State University (GSU) accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Consistent with The IIA's Mission of Internal Audit, UAAS's mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

## **AUTHORITY**

The UAAS director is the GSU chief audit officer, reporting directly to the GSU president and to the vice chancellor for internal audit and chief audit officer (VC/CAO) at the Board of Regents (BoR) of the University System of Georgia, who maintains a functional reporting relationship to the BoR. The VC/CAO can direct UAAS to audit specific functions at GSU.

In accord with The IIA's mandatory *International Standards for the Professional Practice of Internal Auditing (Standards)* and BoR guidance, UAAS auditors have to the extent permitted by law or other authority, full access to all activities, records, systems, databases, properties, and personnel within GSU. University Auditing and Advisory Services is authorized to review and appraise all operations, policies, plans, and procedures. Data, logs, documents, and other materials provided to UAAS will be handled in the same prudent manner as they would be by those employees normally accountable for them.

## **RESPONSIBILITY**

All UAAS internal auditors shall uphold the principles of integrity, objectivity, confidentiality, and competency as defined in the IIA's mandatory Code of Ethics and follow rules of conduct described therein. Likewise, UAAS will adhere to the *Standards* and to the following mandatory Core Principles for the Professional Practice of Internal Auditing: demonstrates integrity; demonstrates competence and due professional care; is objective and free from undue influence (independent); aligns with the strategies, objectives, and risks of the organization; is appropriately positioned and adequately resourced; demonstrates quality and continuous improvement; communicates effectively; provides risk-based assurance; is insightful, proactive, and future-focused; and promotes organizational improvement.

The GSU chief audit officer shall develop risk-based audit plans consistent with university goals, with input from senior management, as appropriate. These plans shall include assurance engagements and, as warranted, consulting engagements also.

The GSU chief audit officer is responsible for:

- Maintaining a professional staff with sufficient knowledge, skills, and other competencies to fulfill UAAS responsibilities.
- Meeting periodically with the president to review the status of UAAS work.
- Responding to the VC/CAO to meet the expectations of the BoR.

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### **Assurance Services**

Assurance services involve the internal auditor's objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process, system, or other subject matters. Examples may include financial, performance, compliance, information technology security, and due diligence examinations. Generally, three parties are participants: the process owner, UAAS, and the user of the assessment. Assurance services shall accord with the audit plan and support university goals and objectives. With respect to governance, UAAS shall assess and make appropriate recommendations to improve processes for:

- Making strategic and operational decisions;
- Overseeing risk management and control;
- Promoting appropriate ethics and values within the organization;
- Ensuring effective organizational performance management and accountability;
- Communicating risk and control information to appropriate areas of the organization; and
- Coordinating the activities of, and communicating information among, the board, external and internal auditors, other assurance providers, and management.

With respect to risk management and control, UAAS shall evaluate exposures and controls within governance, operations, and systems regarding the:

- Achievement of the organization's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programs;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures, and contracts.

Also, UAAS shall evaluate the potential for fraud and the management of fraud risk.

### **Consulting Services**

Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. Examples include counsel, advice, facilitation, and training. Consulting services generally involve UAAS and the client. Objectives shall be consistent with university values and goals; focus on managing risk, adding value, and enhancing operations; and be understood by the client. Also, in the course of providing consulting services, UAAS shall address risk consistent with the engagement's objectives, be alert to significant risks, incorporate knowledge of risks gained into evaluation of GSU's risk management processes, and refrain from assuming any management responsibility by actually managing risks.

### **Follow-Up Process**

The GSU chief audit officer shall establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. If the level of risk accepted is considered unacceptable, the GSU chief audit officer shall discuss the matter with senior management. If the matter is

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not resolved, the GSU chief audit officer shall report the matter to the VC/CAO for communication to the BoR.

**Communication**

In conducting its work, UAAS will sustain open, timely, complete, and productive lines of communication.

Approved by the Georgia State University Administrative Council on May 3, 2017.

**Signatory Approvals**



Mark P. Becker  
President  
Georgia State University

Date 5/5/17



Terry Thompson  
Vice Chancellor for Internal Audit and Chief Audit Officer  
Board of Regents of the University System of Georgia

Date 6/8/17