



DILLARD UNIVERSITY OFFICE OF INTERNAL AUDIT CHARTER

INTRODUCTION

The Internal Auditor reports to the President of the University and the Audit Committee/Board of Trustees for policy and guidance. Performance of the Internal Audit Department will be reported by the President to the Board of Trustees. These reporting relationships ensure departmental independence, promote comprehensive audit coverage, and assure adequate consideration of audit recommendations.

I. PURPOSE

University administration has the primary responsibility for establishing and maintaining a sufficient system of internal controls. The Office of Internal Audit was developed as a means of assisting administration in the effective discharge of its responsibilities by furnishing independent evaluations and recommendations on the soundness, adequacy, and application of accounting, financial and other operating controls necessary to accomplish University objectives in compliance with established policies, procedures and sound business practices.

II. POLICY

The Office of Internal Audit is a service unit for the University. It provides management with information that will assist in the control of operations for which it is responsible. Further, it makes recommendations to improve systems, procedures, and other internal controls designed to safeguard University resources, and ensure compliance with state, federal and local governments' laws and regulations. The Internal Audit Office has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews. Accordingly, Internal Audit does not develop or write policies or procedures that they may later be called upon to evaluate. They may review draft materials, developed by management, for propriety and/or completeness. However, ownership of, and responsibility for these materials remains with management, not Internal Audit.

III. AUTHORITY

The Internal Auditor is authorized to conduct a comprehensive internal audit program within the institution and is responsible for keeping the Office of the President and the Chairman of the Audit Committee informed of unusual transactions or other matters of significance covered in an audit report. To carry out the goals and objectives of the Department of Internal Audit, the Internal Auditor has full and unrestricted access to files, records, reports, data, property, activities, personnel and information of the agency, its departments and its staff. This access shall be exercised in a professional manner with stringent accountability and strict confidentiality.

IV. RESPONSIBILITIES

- Examine and evaluate the controls, policies and procedures, and systems in place to safeguard university assets.
- Evaluate the reliability and integrity of information, and the efficient and effective use of resources.
- Review compliance with policies, procedures, laws and regulations.
- Investigate reported occurrences of fraud, embezzlement, theft, waste, etc.
- Report results and make recommendations to administration and the Audit Committee/Board of Trustees.
- Assure that the University conducts its business in manners that are consistent with standards of external audits and accountability.

V. AUDIT STANDARDS AND ETHICS

All audit work meets the Standards for the Professional Practice of Internal Auditing and Code of Ethics promulgated by the Institute of Internal Auditors, Inc. The department is expected to consistently demonstrate high standards of conduct and ethics as well as appropriate judgment, independence, and discretion.

VI. SELECTING AND SCHEDULING AUDITS

The Internal Auditor prepares an annual Internal Audit Plan for approval by the President and Audit Committee of Dillard University's Board of Trustees. Candidates are selected from the results of a risk assessment questionnaire, recommendations by senior administration, regular coverage of large functional operations (cashiering, accounts payable, etc), and special requests.

VII. REPORTING

All audit work is summarized in timely written reports distributed to an appropriate list of recipients. In general, reports are distributed to all members of the Audit Committee, the President, the Executive Vice President and Vice-President for Business and Finance, as well as the auditee, their immediate supervisor, and other department heads affected by audit findings. Special request reports may have a more limited distribution.

Internal Audit will provide administration with adequate time to prepare responses to audit report findings before distributing the reports to appropriate recipients outside of University management.