

**Executive and Audit Committee
Board of Trustees of the University of Oregon**

Resolution: Amendments to the Internal Audit Charter

Whereas, the University of Oregon is governed by and the business and affairs of the University are ultimately managed by the Board of Trustees;

Whereas, the University of Oregon takes seriously the responsibility to manage, invest and spend resources and has an Office of Internal Audit (Internal Audit) to provide independent, objective evaluations and advisory services that add to the accountability of the University;

Whereas, Internal Audit has a departmental charter to articulate the purpose, authority, and responsibility of the office;

Whereas, Internal Audit proposes an update to the charter, attached hereto as Exhibit A, to (i) better align the document with the department's strategic plan and Quality Assurance Review requirements and (ii) ensure consistency with best practices in higher education audit environments; and,

Whereas, the Board's Policy on Committees authorizes the Executive and Audit Committee to act on behalf of the Board when appropriate;

NOW, THEREFORE, the Executive and Audit Committee of the Board of Trustees of the University of Oregon hereby adopts the updated Internal Audit Department Charter attached as Exhibit A.

VOTE: Voice Vote Recorded – Ayes carried (no dissention)

DATE: June 1, 2017

Recorded by the University Secretary: AW

Office of Internal Audit

Department Charter

*This charter defines the purpose, authority, and
responsibility of the Office of Internal Audit at the
University of Oregon*

June 2017

*Proposed for approval by the Executive and Audit
Committee of the Board of Trustees
June 1, 2017*

EXHIBIT A

Purpose

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve university operations. It helps the university accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Office of Internal Audit enhances and protects the University's value by providing risk-based and objective assurance, advice, and insight.

Mission Statement:

Driven by the highest professional and ethical standards, the Office of Internal Audit helps the University accomplish its objectives by evaluating and identifying opportunities to improve the effectiveness of governance processes, risk management, and internal controls.

Professional Standards:

The Office of Internal Audit operates within the context of the Institute of Internal Audit's (IIA's) *International Professional Practices Framework* (IPPF) and the Office of Internal Audit's procedure manual. Audits will be conducted with integrity, objectivity, confidentiality, and competency as defined by the IIA's *Code of Ethics*. Additionally, the Office of Internal Audit references other appropriate audit frameworks, such as the Generally Accepted Government Auditing Standards.

The Office of Internal Audit will undergo external peer reviews pursuant to the IPPF. The Executive and Audit Committee shall have input into peer reviews and results of peer reviews will be available to the Committee upon completion.

Authority

To ensure the independence of the Office of Internal Audit, the Chief Auditor reports administratively to the Office of the President and functionally to the Executive and Audit Committee of the University of Oregon's Board of Trustees.

The Office of Internal Audit is granted full and unrestricted access to all functions, records, systems, property, and personnel. Any documents or information obtained by the Office of Internal Audit through the course of work will be handled with the confidentiality defined by the IIA's Code of Ethics. The Office of Internal Audit has authority to audit any function, program, account or system deemed necessary and appropriate in the judgment of the Chief Auditor, notwithstanding a flexible pre-approved audit plan.

University management is responsible for risk management, control, and governance of the areas audited. The Office of Internal Audit has no direct responsibility or authority over any of the areas audited. Staff shall not perform any operational duties for the University, initiate or approve accounting transactions of areas under review, or direct the activities of any University employee, except to the extent such employees have been appropriately assigned to an audit team or to otherwise assist the auditors.

All university employees are expected to comply fully and timely with requests made by the Office of Internal Audit. This includes, but is not limited to, timely provision of information, access to information, or responses to draft reports. Recommendations made by the Office of Internal Audit shall be taken seriously and steps shall be taken to assess and determine a course of action in response to the recommendations. The Chief Auditor may report any non-compliance on the part of university programs or employees to the President and the Executive and Audit Committee.

Responsibility

The Office of Internal Audit is responsible for developing and implementing a flexible annual audit

EXHIBIT A

plan using an appropriate risk-based methodology. The annual audit plan should include consideration of any risks or control concerns identified by management, and should be reviewed and approved by the President and Executive and Audit Committee.

The Office of Internal Audit shall perform engagements in the following areas:

- **Assurance services:** These services are independent and objective evaluations designed to provide reasonable assurance regarding the achievement of objectives over the effectiveness and efficiency of operations, reliability of financial reporting, or compliance with applicable laws and regulations.
- **Consulting services:** These services may be requested by managers and other department and unit leaders to help identify a variety of areas for improvement. The scope and objectives are agreed upon by the Office of Internal Audit and management of the area.
- **Investigative services:** These services evaluate allegations of fraud, waste, abuse or unethical business practices. The Fraud and Ethics Hotline is free, confidential, and available to employees, students, and the community to report unlawful or unethical concerns. Operated by EthicsPoint, reports are managed by the Office of Internal Audit. Reports can also be made directly to the Office of Internal Audit.
- **Other services:** These services include coordination and oversight for external auditing agencies, and follow-up work. External auditing agencies include agencies such as the Secretary of State and the NCAA. Follow-up work is performed to ensure plans and actions are taken to correct report conditions. Additionally, the Office of Internal Audit provides awareness training covering topics such as fraud, risks, and internal controls.