



# Charter

## Introduction

This charter defines the policy of the University of Wisconsin Colleges (UW Colleges) and University of Wisconsin-Extension (UW-Extension) regarding the Internal Audit Department and authorizes its access to records, personnel, and physical properties relevant to the performance of audits, and to define the scope of internal auditing activities.

## Purpose of Internal Audit Department

Internal auditing is an independent appraisal activity established to evaluate the effectiveness of processes, internal controls, and systems, and identify opportunities for improvement. A major purpose of the internal audit function is the prevention and detection of fraud, embezzlement, and misappropriation of assets.

## Objective of Internal Audit Department

It is the policy of the UW Colleges and UW-Extension to provide an internal auditing function to assist management by reviewing all operations at appropriate intervals, and provide analyses, appraisals, recommendations, counsel and information concerning the activities reviewed.

## Authority of Internal Audit Department

Internal Audit reports administratively to the Associate Vice Chancellor of Administrative & Financial Services; however, may report audit matters directly to the Vice Chancellor of Administrative & Financial Services, the Chancellor or to University of Wisconsin System Administration.

In the performance of audits, the Internal Audit is granted the authority to audit all parts of the institutions and shall have full and complete access to any of the institutions' records, physical properties and personnel. Documents and information given to the auditors during a periodic review will be handled in the same prudent and confidential manner as by those employees normally accountable for them and exercise discretion and assure the safekeeping and confidentiality of audit matters.

Internal Audit Department will have no direct responsibility for or the authority over, any of the activities reviewed. Therefore, an internal audit review in no way relieves management of any assigned responsibilities. Internal Audit Department should make recommendations for new or additional controls or procedures, but not develop or install them, prepare records or engage in any activities which they would normally be required to review.

The Internal Audit Department should not perform non-audit work except under unusual circumstances because performance of line responsibilities may compromise objectivity.

All Internal Auditing endeavors are to be conducted in accordance with University policies as well as the Code of Ethics and the Standards for the Professional Practice of Internal Auditing promulgated by The Institute of Internal Auditors.

## **Responsibilities of Internal Audit Department**

The Internal Audit Department has responsibility for:

- Developing and maintaining a comprehensive internal auditing program for evaluating the financial and operational systems and procedures for all UW Colleges and UW-Extension activities.
- Development of an annual audit plan in consultation with the Associate Vice Chancellor of Administrative & Financial Services.
- Examining financial transactions for accuracy and evaluating compliance with internal policies and procedures, UW System policies, and governmental laws and regulations.
- Ascertaining the adequacy of controls for safeguarding assets and, when appropriate, verifying the existence of assets.
- Appraising the timeliness, reliability, and usefulness of institutional records and reports.
- Evaluating the cost effectiveness and efficiency of institutional operations and the adequacy of meeting intended program objectives.
- Preparation of reports for each audit whose findings and recommendations have been discussed with the management of the audited operation, responded to by that management, presented to the Associate Vice Chancellor of Administrative & Financial Services with a copy forward to the UW System Office of Operations Review & Audit.
- Serving as a liaison with external auditors and coordinating audit efforts with UW System Internal Audit to preclude duplication of effort and increase coverage of auditable areas.
- Conducting follow-up reviews on audit reports issued by UW System, Legislative Audit Bureau, or other external agencies.
- Serving on committees as appointed or elected.
- Maintaining technical competence through continuing education and active involvement in professional activities.

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- Ensure any fiscal misconduct or conflicts of interest are reported in accordance with System Administration policy.
- Involvement in the review of any new system, developed internally or purchased, to determine the adequacy of internal controls prior to the implementation of that system.