

# Delaware State University

## Internal Audit and Advisory Services

### Charter

#### **Introduction:**

Internal Audit and Advisory Services (IAAS) is an independent, objective assurance and consulting activity designed to add value and improve Delaware State University's (the University) operations. It assists the University accomplish its objectives by bringing a systematic but disciplined approach to evaluate accounting and financial matters risk and improve the effectiveness of control and governance processes.

#### **Purpose:**

The purpose of the IAAS is to provide the Board of Trustees an independent appraisal of the adequacy and the effectiveness of the University's system of internal administrative and accounting controls and the quality of performance when compared with established standards. The primary objective is to assist the Board of Trustees and the University management in the effective discharge of their responsibilities.

#### **Mission:**

The mission of IAAS is to support the vision and mission of the University by providing independent and objective assurance, management evaluation, consultation, and reporting services; and to help ensure the efficient and effective use of resources, program operations, and stewardship over assets.

#### **Scope of Work:**

The scope of work of IAAS includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Determining whether the systems established ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Identifying opportunities for reducing costs, improving processes and enhancing the University's reputation.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Consulting and educating on financial and operational processes, controls, related risks, and exposures. In addition, providing guidance and advice on control and risk aspects of new policies, systems, processes, and procedures.

- Reviewing specific operations at the request of the University's Board of Trustees Audit Committee (hereinafter referred to as Audit Committee), as appropriate.
- If needed, reviewing the quality of performance of external auditors and the degree of coordination with IAAS.
- Investigating fraud and other types of fiscal misconduct as IAAS's available resources permit.
- Administering the University's Hotline and investigating hotline reports pertaining to accounting and financial matters.
- Serve on Enterprise Risk Management committees for coordination of risk assessment identification and management.

### **Independence and Objectivity:**

IAAS is an independent function with direct reporting relationship to the Audit Committee but administratively reports to the Vice President of Finance. The IAAS may communicate directly with the Chair or members of Audit committee/ Board of Trustees.

The IAAS will not develop and install procedures, prepare records, or engage in any other activity which would normally be reviewed and appraised during an audit, or which could reasonably be construed as a conflict of interest, and therefore compromise independence or objectivity. Advisory services will consist of consultative reviews of policies and procedures, records, or other activities to assist management in the identification of internal control weakness, actions to mitigate the risk, and resolution.

### **Responsibilities:**

The IAAS is responsible for:

- Developing an annual audit plan based on an accounting and financial risk assessment which encompasses various components of the University.
- Present the audit plan to the Audit Committee to ensure coordination efforts are identified and sufficient resources are available.
- Reporting the status of audit recommendation and implementation to the Audit Committee.
- Performing duties in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and the associated Code of Ethics.

### **Authority:**

To the extent permitted by law, IAAS has full, free and unrestricted access to all activities, records, properties and personnel within the University. IAAS is authorized to review and appraise all policies, plans, and procedures. Members of the IAAS staff will handle all documents and other information acquired in the course of their duties prudently.