



## Catholic University of Health and Allied Sciences



### Internal Audit Charter

## Table of Contents

Description	Page
Purpose .....	1
Role of Internal Audit .....	1
Independency.....	1
Objectivity.....	1
Responsibilities of internal audit.....	2
Responsibilities of management .....	3
Authority of Internal Audit.....	3
Limitation of Internal Audit.....	3
Scope.....	4
Professional standard of Internal Auditing.....	4
Audit Report.....	4
Relationship with external auditors .....	4
Review of the charter.....	4
Approval.....	5

## **I. PURPOSE**

The purpose of this charter is to set out the nature, role, responsibility, status and authority of the Internal Audit Unit as well as to outline scope of the work.

## **II. ROLE OF INTERNAL AUDIT**

The role of the Internal Audit Unit is to assist the University to meet its objectives and to help Management to discharge their responsibilities by providing an independent appraisal of the adequacy and effectiveness of the controls set up. It also responsible for determining the scope of internal audit functions and advice the action to be taken on the findings.

## **III. INDEPENDENCE**

Internal Auditor must be, must be seen to be independent of the activities and processes she/he appraises to ensure the ability of performing her/his duties in an objective manner and provide impartial advice to management and other University Organs.

Support from the senior management and the Audit Committee is important to assist the internal audit unit's performance and its function should be free from interference on selection of Audit scope, procedures and report contents.

## **IV. OBJECTIVITY**

Objectivity is the state of mind which has regard to all considerations relevant to the task in hand but no other. It is sometimes described as 'independence of mind'. The need for objectivity is particularly evident in the case of a practicing accountant carrying out an audit or some other reporting role where his/her professional opinion is likely to affect rights between parties and the decisions they take.

### **Safeguard of audit objectivity**

Auditor should always consider the use of safeguards and procedures which may negate or reduce threats. She/he should be prepared to demonstrate that in relation to each identified threat, they have considered the availability and effectiveness of the safeguards and procedures and are satisfied that their objectivity in carrying out the

assignment will be properly preserved. Some ways of reserving Auditor's objectivity are pinpointed below;

- Not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment or conflict with interest of the University.
- Not accept anything that may impair or may be presumed to impair their professional judgment.
- To disclose all material facts known to them that, if not disclosed, may distort the reporting of the activities under review.

## **V. RESPONSIBILITY**

An effective implementation of Internal Audit charter rest with the Audit unit in collaboration with Audit Committee. The responsibility of the unit is to assess compliances with policies, laws, regulations and procedures as well as recommending corrective actions to non-compliances areas while the responsibility for correcting such processes rests with the CUHAS management.

## **VI. RESPONSIBILITIES OF INTERNAL AUDIT UNIT**

The Internal Audit has the responsibility of;

- (i) Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan along with any subsequent periodic changes to Audit Committee and for review and approval.
- (ii) Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management.
- (iii) Maintain professional internal audit resources where appropriate, other internal or external resources with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the charter.
- (iv) Issue periodic reports to the management, summarizing quarterly findings and results of audit activities to Audit Committee.

- (v) Provide internal audit measurement goals and results to the audit Management.
- (vi) Assist as appropriate in the investigation of suspected fraudulent activities within the CUHAS and notify the same to the management.
- (vii) Consider the scope of working of the external auditors and regulators, as appropriate, for the purposes of providing optimal audit coverage to the CUHAS at a reasonable overall cost.
- (viii) As appropriate, providing consulting and advisory services to management that add value and improve CUHAS's governance, risk management, control processes without the internal auditor assuming management responsibility.
- (ix) Engaging with all stakeholders to make sure that they are fully aware of the internal audit function and processes
- (x) Developing strong relationships based on trust and mutual respect with the Audit and the Vice-Chancellor, executive group, Audit Committee, all university staff and external auditors.
- (xi) Holding regular meetings with the Vice-Chancellor keep informing issues raised during the Audit.
- (xii) Regularly updating the internal audit charter

## **VII. RESPONSIBILITIES OF MANAGEMENT**

The Chapter identifies management responsibilities in order to enhance the audit function. It has the responsibility of;

- (a) Proposing Audit areas for investigation.
- (b) Maintaining internal control, including proper accounting records and other management information suitable for running the Department.
- (c) Risks are appropriately identified and managed.
- (d) Significant financial, managerial and operating information is accurate, reliable and timely.
- (e) Employee's actions are compliance with policies, standards, procedures, applicable laws and regulations.
- (f) Resources are acquired economically, used efficiently and protected effectively.

- (g) Programs, plans and objective are achieved.
- (h) Academic programs, curriculums, and manuals are regularly reviewed.
- (i) Respond to the audit queries timely.

## **VIII AUTHORITY TO INTERNAL AUDITOR**

Internal Auditor is authorized to:

- a) Have full and free access to the Chief Accounting Officer
- b) Have unrestricted access to all activities, documents, records, systems, facilities, and personnel as necessary to fulfill its objectives. Information will be maintained with appropriate confidentiality.
- c) Obtain the necessary assistance of personnel in departments of the University where they perform audits, as well as other specialized services from within or outside the University.

## **IX LIMITATION TO INTERNAL AUDITORS**

Internal Auditor is not authorized;

- a) To perform any operational duties to be audited by her/him in Schools, Faculties, Projects, Academic and Administrative departments.
- b) To implement internal Controls, risk management and governance processes, develop procedures, install system and prepare records or engaged in any other activities that may impair internal auditor's judgment.
- c) To initiate or approve transactions other than those of internal audit services.

## **X SCOPE**

The scope of the services provided by Internal Audit should be sufficiently comprehensive to meet the needs of Management and Audit committee. Internal audit is applicable for all activities of the University and its controlled Projects.

## **XI PROFESSIONAL STANDARDS OF INTERNAL AUDITING**

The internal audit profession is covered by the International Professional Practices Framework of the Institute of Internal Auditors. This framework includes mandatory elements consisting of the Definition of International Standards for the Professional Practice of Internal Auditing. The internal audit will meet or exceed these mandatory requirements of the profession and all internal audit assignments must be undertaken with due professional care. In line with standards of professional internal auditing practice of internal audit, internal auditor ensures the following;

- That skills, competence, experience and qualifications are appropriate for the audits being performed.
- That all internal audit assignments are properly supervised and where required, on the job training provided.
- Compliance with all relevant standards and codes of ethics as laid down by the IIA and National Board of Accountants and Auditors (NBAA)

## **XII AUDIT REPORTING**

The report is the key deliverable communication of Audit findings to Auditee, Management and Audit Committee. The audit plan identifies auditable areas for the period, all those observations are communicating functionally to Audit Committee and administratively to the management through reports.

## **XIII RELATIONSHIP WITH EXTERNAL AUDITORS**

Internal and external audit activities should be coordinated to ensure adequate audit coverage and to minimize duplication of effort. Periodic meetings between internal and external audit may be held to discuss matters of mutual interest. Access to internal audit plans, working papers and reports may be made available for review by external auditors.

**XIV REVIEW OF THE CHAPTER**

The Internal Auditor is responsible for the maintenance of the charter to ensure that it remains relevant and up to date. The Charter will be reviewed regularly, any appropriate amendments recommended should be approved by Audit Committee.

**XV EFFECTIVE DATE**

This Charter will come in effect as from the date of approval by Audit Committee.

