



**Office of Internal Audit Policy & Charter #125.205**

INITIAL EFFECTIVE DATE:	LAST REVISION DATE:	RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT
March 2006	July 1, 2023	Office of the President Florida International University

POLICY STATEMENT
<p><u>Purpose and Mission</u></p> <p>The purpose of the Office of Internal Audit (OIA) is to provide independent, objective assurance and consulting activity designed to add value and improve Florida International University (FIU) operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. OIA assists FIU in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and control processes.</p> <p><u>Reporting and Authority</u></p> <p>The Chief Audit Executive (CAE) shall report functionally to the Board of Trustees, through the Board's Audit and Compliance Committee, and administratively to the University President. To establish, maintain, and assure that the OIA has sufficient authority to fulfill its duties, the Audit and Compliance Committee will:</p> <ul style="list-style-type: none"> <li>• Review and approve the OIA's charter.</li> <li>• Review and approve the risk-based internal audit plan.</li> <li>• Assess the staffing of the Office of Internal Audit, including the annual budget.</li> <li>• Review and approve modifications to the Office of Internal Audit.</li> <li>• Receive communications from the Chief Audit Executive on the OIA's performance relative to its plan and other matters.</li> <li>• Participate, through the Chair, in the process of the appointment and dismissal of the Chief Audit Executive.</li> <li>• Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.</li> </ul>



The CAE will have unrestricted access to, and communicate and interact directly with, the Board of Trustees Audit and Compliance Committee, including communicating freely without management's influence.

The OIA shall have unrestricted and timely access to all records, data, information, and personnel of the University, including information reported to the University's hotline/helpline. However, to ensure objectivity and independence, the OIA has no direct responsibility or authority over the university activities that it the office reviews. The OIA is subject to accountability for maintaining the confidentiality and safeguarding of records and information.

The CAE shall conduct and report on audits, investigations, and other inquiries free of actual or perceived impairment to independence, and shall allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.

#### Professional Standards

The Office of Internal Audit shall govern itself by adherence to the State University System of Florida Board of Governors (BOG) Regulation 4.002 and the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. In performing its assurance activity, other applicable professional standards and guidelines, including the Government Auditing Standards, published by the United States Government Accountability Office; and/or the Information Systems Auditing Standards published by the Information Systems Audit and Control Association, shall apply, when appropriate. All audit reports shall describe the extent to which standards were followed.

Investigative assignments shall be performed in accordance with active regulations issued for the State University System of Florida and applicable Florida Statutes.

#### Independence and Objectivity

The CAE will ensure that the OIA remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.



Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that does not compromise quality. They do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. The OIA may perform advisory and related university service activities, the nature and scope of which will be agreed upon with management, provided the OIA does not assume management responsibility. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

The CAE will confirm to the Board of Trustees Audit and Compliance Committee, at least annually, the organizational independence of the OIA, and will disclose to the Audit and Compliance Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

#### Quality Assurance and Improvement Program

The Office of Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the OIA's conformance with The IIA's Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the OIA's activity and identify opportunities for improvement.

The CAE will communicate to the University President and the Board of Trustees Audit and Compliance Committee on the OIA's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside FIU.

#### **SCOPE**

This policy and charter applies to all active employees of Florida International University, whether full-time or part-time, working in the Office of Internal Audit. In addition, it establishes the scope and authority for the internal audit activity for the University Community (faculty, staff, and students).



**REASON FOR POLICY**

As required by the State University System of Florida Board of Governors Regulation 4.002, the Florida International University’s Office of Internal Audit provides independent and objective appraisals regarding risk management and controls on financial and operational matters within the University that promote accountability, integrity, and efficiency in the operations of the University. This policy codifies the guiding principles and responsibilities of the Office of Internal Audit through the establishment of this Charter.

**DEFINITIONS**

<b>TERM</b>	<b>DEFINITIONS</b>
Chief Audit Executive (CAE)	The principal director of the University’s internal audit function.

**ROLES AND RESPONSIBILITIES**

The Chief Audit Executive shall:

- (1) Provide direction for, supervise, and coordinate audits and investigations, which promote economy, efficiency, and effectiveness in the administration of university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.
- (2) Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units, and communicate the engagement results with applicable conclusions and recommendations to appropriate parties.
- (3) Address significant and credible allegations relating to fraud, waste, abuse, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001.
- (4) Keep the University President and Board of Trustees informed concerning significant and credible allegations and known occurrences of fraud, waste, abuse, or financial fraud, mismanagement, abuses, and as well as deficiencies relating to the University’s programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions, including any corrective actions not effectively implemented.
- (5) Promote, in collaboration with other appropriate university officials, effective coordination between the University and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies.
- (6) Review and make recommendations, as appropriate, concerning policies and regulations related to the University’s programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units.

(7) Communicate to the University President and the Board of Trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations as follows:

- a) The Chief Audit Executive shall develop audit plans based on the results of periodic risk assessments. The plans shall be submitted to the Board of Trustees Audit and Compliance Committee for review and approval. A copy of approved audit plans will be provided to appropriate university management and the Board of Governors.
- b) The Chief Audit Executive shall review and adjust the audit plans, as necessary, in response to changes in the University's business, risks, operations, programs, systems, and controls; and communicate to the University President and the Board of Trustees Audit and Compliance Committee any significant interim changes to the audit plans.

(8) By September 30th of each year, the CAE shall prepare a report summarizing the activities of the office for the preceding fiscal year. The report shall be provided to the University President, Board of Trustees, and Board of Governors.

(9) Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter.

(10) Coordinate or request audit, financial and fraud related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.

(11) Ensure that the principles of integrity, objectivity, confidentiality, and competency are applied and upheld, and report periodically to the University President and the Board of Trustees Audit and Compliance Committee regarding the office's conformance to The IIA's Code of Ethics and the Standards.

(12) Ensure the OIA collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter and emerging trends and successful practices in internal auditing are considered.

(13) Establish policies and procedures which guide the activities of the OIA and articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.

(14) Ensure adherence to Florida International University's relevant policies and procedures, unless such policies and procedures conflict with this Charter. Any such conflicts will be resolved or otherwise communicated to the University President and the Board of Trustees Audit and Compliance Committee.

(15) Develop and maintain a quality assurance and improvement program for the OIA and communicate to the University President and the Board of Trustees Audit and Compliance Committee on the OIA's quality assurance and improvement program.

(16) Inform the Board of Trustees when contracting for specific instances of audit or investigative assistance.



(17) Review this Charter with the Board of Trustees Audit and Compliance Committee at least every three (3) years for consistency with applicable Board of Governors and University regulations, professional standards, and best practices.

#### RELATED RESOURCES

[BOG Regulations 4.001, University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement](#)

[BOG Regulations 4.002, State University System Chief Audit Executives](#)

[The Florida International University Board of Trustees Audit and Compliance Committee Charter](#)

#### CONTACTS

Chief Audit Executive  
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#### HISTORY

Initial Effective Date: March 2006

Review Dates (*review performed, no updates*): N/A

Revision Dates (*updates made to document*): February 5, 2010; July 1, 2017; July 1, 2020; July 1, 2023.