

LA TROBE UNIVERSITY
Internal Audit Office
INTERNAL AUDIT CHARTER

1 Role

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of La Trobe University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

2 Independence

The Internal Audit Office has independent status within the University by:

- the Internal Audit Manager reporting directly to the Director Risk Management Unit
- the Director Risk Management being functionally responsible to the Corporate Governance and Audit Committee and administratively responsible to the Vice-Principal (Resources and Administration), and
- internal auditors having no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.

3 Authority

Authority is granted for the Internal Audit Office to have:

- the right of access at all times to the properties, works and buildings, books, securities, accounts and vouchers of the University. The right extends to the making of such copies or extracts required by audit, and
- the right to require all officers of the University to provide all necessary information and assistance to Internal Audit staff to perform their duties.

4. Audit Scope

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the University's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives. It includes:

- reviewing the reliability and integrity of financial and operating information
- reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the University is in compliance
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets
- reviewing and appraising the economy and efficiency with which resources are employed
- 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
- reviewing specific operations at the request of the Corporate Governance and Audit Committee or management, as appropriate
- monitoring and evaluating the effectiveness of the University's risk management framework
- appointment of external audit service providers to assist in the completion of the audit plan, and
- reviewing the quality of performance of external audit service providers.

5. Audit Planning:

Annually, the Director Risk Management shall submit to Corporate Governance and Audit Committee an Audit Plan for approval. The Audit Plan is to be developed based on an assessment of risk. Any significant deviation from the approved Plan shall be communicated to Corporate Governance and Audit Committee.

Approved by Corporate Governance and Audit Committee on 16 August 2006