

# University of Otago

## Internal Audit Charter

### 1 Objective

- 1.1 This Charter establishes the authority and responsibility conferred by the University Council on the Office of Risk, Assurance and Compliance.

### 2 Role

- 2.1 The primary purpose of the Office of Risk, Assurance and Compliance is to provide a comprehensive, value added internal audit and risk assessment service to management.
- 2.1 Internal auditing (as defined by the Institute of Internal Auditors) is an independent, objective assurance and consulting service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- 2.2 Risk assessment is a systematic process used to identify, analyse and evaluate risks (as defined in AS ISO 31000:2018 Risk Management) that could impact on the objectives of the University.
- 2.3 The ambit of the audit and risk assessment function encompasses all aspects of the University's and its controlled entities' activities including financial and operational matters.

### 3 Authority

- 3.1 The authority for the establishment of an internal audit function in a Government organisation is provided for Public Finance Act 1989, which requires the Council and Management to accept responsibility for establishing and maintaining a system of internal control.
- 3.2 The staff of the Office of Risk, Assurance and Compliance and consultants contracted to undertake audit and risk assessment projects will have full, free and unrestricted access to all property, personnel, records, accounts files, and other documentation of the University and controlled entities.
- 3.3 Information accessed is to be used only for audit and risk assessment purposes.

### 4 Independence

- 4.1 The internal auditors will be independent of the activities they audit.
- 4.2 The Head of Risk, Assurance and Compliance is located within the Operations Group but retains, at all times, the right of direct access to the Vice-Chancellor and Chancellor.
- 4.3 The Head of Risk, Assurance and Compliance has the right of direct access to the Chair of the Audit and Risk Committee and is to meet privately at least once a year with the Chair.
- 4.4 The Office of Risk, Assurance and Compliance is not involved in the day-to-day operations of the University other than those required for the normal functioning of the Office itself.

## **5 Responsibilities**

Key activities undertaken by the Office of Risk, Assurance and Compliance include:

- 5.1 Reviewing systems and operations and appraising the adequacy of controls.
- 5.2 Recommending improvements to systems and procedures.
- 5.3 Providing advice on the design and implementation of, and testing planned controls when major changes are made to various administrative systems but not responsible for the detailed implementation of those systems.
- 5.4 Appraising and monitoring the extent of compliance across the University with policies, procedures, plans and legislation.
- 5.5 Ensuring that available resources are directed towards areas of highest risk.
- 5.6 Appraising the economy, efficiency and effectiveness with which University resources are employed.
- 5.7 Providing advice on a range of administrative and financial matters.
- 5.8 Conducting ad hoc and confidential investigations at the request of senior management.
- 5.9 Co-ordinating strategic and operational risk assessment activities.

## **6 Scope**

- 6.1 The program of the Office of Risk, Assurance and Compliance will be sufficiently comprehensive to enable an effective and regular review of the University's high risk activities.
- 6.2 The coverage of the Office of Risk, Assurance and Compliance extends to all areas of the University including the University's controlled entities.

## **7 Audit Evidence**

- 7.1 The Office of Risk, Assurance and Compliance shall keep and file appropriate evidentiary records of the work that it has performed.

## **8 Audit and Risk Assessment Plan**

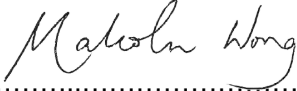
- 8.1 An Office of Risk, Assurance and Compliance Work Plan will be prepared for the approval of the Audit and Risk Committee before the close of each year. The Plan will be based on an assessment of the University's risks.

## **9 Reporting and Quality Assurance**

- 9.1 The Head of Risk, Assurance and Compliance will report to the Audit and Risk Committee on the activities and outcomes of the reviews, audits and investigations conducted by the Office of Risk, Assurance and Compliance at least four times a year. These reports will include University management responses and be prepared to coincide with the Audit and Risk Committee meetings.
- 9.2 The Head of Risk, Assurance and Compliance will develop a quality assurance and improvement review process for the operations of the Office of Risk, Assurance and Compliance that will include benchmarking and performance indicators. The outcomes of this review will be reported to the Audit and Risk Committee at its last meeting in each calendar year.

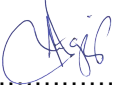
**10 Review**

10.1 The Audit and Risk Committee will review this Charter at two yearly intervals to ensure it remains relevant and effective and will advise the University Council on any recommended changes.

  
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Chair, Audit and Risk Committee

Date ...../...../..... 28 August 2023

  
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Chancellor, University Council

Date ...../...../..... 28 August 2023