

THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE
INTERNAL AUDIT CHARTER

Approved by Audit Committee: 5 October 2011

Approved by Board: 9 November 2011

INTERNAL AUDIT CHARTER

1. College Governance

- 1.1 Ultimately, the Board has overall responsibility for ensuring that there are effective systems of control in operation throughout the College; that College complies with all applicable laws and regulations; and that the systems of control ensure the integrity and reliability of external financial reporting. This responsibility is reinforced by the requirement in the Code of Governance for Universities to make annual statements of assurance on internal control and related governance matters.
- 1.2 Heads of function, as co-ordinated through the Principal Committees and Executive Officers' Group, are responsible for the establishment, operation and monitoring of appropriate systems of control.
- 1.3 The College aspires to best practice in governance and in this regard Internal Audit has an important role to play in providing an independent appraisal of the governance and control environment. Board consideration of the financial statements and any statements it may make on governance, internal control or responsibilities in its reporting are informed and supported by the regular reporting of Officers; Principal Committees; Staff; the risk assessment process; and by the Audit Committee and the work carried out by Internal Audit.
- 1.4 Internal Audit is responsible for providing an independent, objective and impartial appraisal of the activities of the university so as to make an assessment of the effectiveness of the systems of governance, risk management, controls and of compliance.

2. Mission of Internal Audit

- 2.1 The general aim of Internal Audit is to help the Audit Committee fulfil its terms of reference so that the College may be supported in accomplishing its objectives and the Board and Officers informed on systems and compliance issues in making judgements and decisions. To achieve this, Internal Audit will carry out reviews independently and report thereon to the Audit Committee.
- 2.2 Internal Audit directly aligns itself with the University's mission by contributing to the fulfilment of the goals and objectives articulated in the College's Strategic Plan.

3. Scope

- 3.1 All the university's activities, funded from whatever source, fall within the remit of Internal Audit, the scope of which is not confined solely to

financial matters. Internal Audit may consider any activities, the effectiveness of governance processes, risk assessment; risk management, internal controls, and compliance in all areas, including subsidiary or associated undertakings controlled by the College.

- 3.2 Internal Audit will normally carry out work to a plan agreed by the Audit Committee and advised to the Board. However, it may also conduct any special reviews requested by the Board, the Provost or the Audit Committee provided such reviews do not compromise its objectivity or independence or achievement of the approved audit plan.

4. Role and Responsibility

4.1 The role of the Internal Audit function is to provide assurance on the adequacy of responses to risk and to controls within the business processes and the effectiveness of the system of risk management. It remains the duty of the management, not the Internal Auditor, to operate an adequate system of internal control.

4.2 It supports the achievement of corporate objectives by providing an independent appraisal service to the University and it reviews and evaluates governance processes.

5. Authority and Access

5.1 Internal Audit derives its authority from the Board through the Audit Committee.

5.2 Internal Audit has right of access to, or enquiry into, all of the university's records, information and assets which it considers necessary to fulfil its responsibilities, including access to other bodies or undertakings controlled or funded by the university, or in which it participates or is associated.

5.3 The Internal Auditor shall have direct access to the Chair of the Audit Committee and to the Provost in the performance of professional duties. The Internal Auditor shall have access to the Board, normally through the Audit Committee.

5.4 Internal Audit shall be afforded the full co-operation of all employees and agents of the university in carrying out professional duties.

6. Independence and Objectivity

6.1 Internal Audit has no executive role or authority and has no operating responsibilities. It will remain independent of the activities being examined. Internal Audit is not part of the systems of governance, internal controls, risk management or compliance but, rather is an independent appraisal function, which seeks to objectively and impartially review and report on those areas.

6.2 However, if deemed appropriate by the Audit Committee, its remit may extend to systems being developed and it may provide advice on control and related matters arising, provided such work does not prejudice its independence or its right to subsequently audit such systems.

6.3 It is the duty of the Internal Auditor to report fully, fairly and impartially and to take the steps necessary to ensure that the Audit Committee, the Provost and Board are fully informed of all significant matters arising in the conduct of the work.

7. Fraud

7.1 The responsibility for the prevention, detection and resolution of fraud lies with management. This responsibility is addressed through the implementation and continued operation of an effective system of internal control.

7.2 Internal Audit has responsibility to ensure that the audit programme and methodology takes appropriate account of the possibility of fraud and will take appropriate action in accordance with the College fraud policy where a fraud or suspected fraud arises.

8. Standards

8.1 Internal Audit shall carry out its work with due professional care having regard to appropriate professional auditing practice as contained in Auditing Standards published by the Auditing Practices Board and by the Institute of Internal Auditors.

9. Approach to work

9.1 The Internal Auditor shall develop an overall audit strategy taking account, *inter alia*, of available resources, the College's risk assessment process, knowledge of the College, work of external auditors and own assessment of risks. The Internal Auditor shall draw to the Audit Committee's attention any limitations placed on the scope of work by lack of resources or other factors.

9.2 The Internal Auditor, adopting a risk based approach and exercising professional judgement, shall prepare periodic audit plans proposing areas for audit work, which shall be submitted to the Audit Committee for approval. The plan should encompass steps to appraise the effectiveness of governance processes, risk assessment; risk management, internal controls, and compliance in all areas, including subsidiary or associated undertakings controlled by the College.

10. Reporting and Relationships

10.1 The Internal Auditor shall normally advise those responsible for areas being reviewed of the purpose, timing and scope of work to be undertaken; and in due course inform them of the outcome of that work. The Internal Auditor shall have regard to their observations when planning the work, forming opinions and compiling reports. However, this shall not be construed or applied to hinder the work, or limit the scope of the work or reporting, of Internal Audit.

10.2 The Internal Auditor shall report to the Audit Committee at regular intervals during the year on the results of audit work undertaken. The Internal Auditor, in consultation with the Audit Committee, shall prepare an annual report on behalf of the Committee that summarises the results of the significant audit activities and provides an overview of the year for consideration by Board. The report shall make clear the extent of the work carried out and review the adequacy of the resources available to Internal Audit. It shall also contain the opinion of the Internal Auditor on the effectiveness of the systems of internal control and the extent to which Board can rely upon them. This report shall be submitted prior to the presentation of the annual financial statements to Board.

The Internal Auditor shall liaise with the external auditors engaged on audits of the financial statements. The Internal Auditor may also liaise with other auditors.