

THE UNIVERSITY OF DUBLIN
TRINITY COLLEGE

INTERNAL AUDIT CHARTER

Approved by the Audit Committee:
08 December 2020

Approved by the Board:
24 February 2021

1. COLLEGE GOVERNANCE

- 1.1 Ultimately, the Board has overall responsibility for ensuring that there are effective systems of control in operation throughout the University; that the University 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 within 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 the Executive Officers Group are responsible for the establishment, operation and monitoring of appropriate systems of control.
- 1.3 The University 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 Management process; and by the Audit Committee and the work undertaken 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. VISION AND MISSION OF INTERNAL AUDIT

- 2.1 The vision of Internal Audit is to be an independent and respected function that actively supports the University's objectives by delivering high-quality, results-oriented, independent internal audit services that benefit our stakeholders by improving operations, increasing efficiency and reducing risk.
- 2.2 The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
- 2.3 The general aim of Internal Audit is to help the Audit Committee fulfil its Terms of Reference so that the University may be supported in accomplishing its objectives and the Board and Officers are informed on systems and compliance issues in making judgements and decisions. To achieve this, Internal Audit carry out reviews independently and report thereon to the Audit Committee.
- 2.4 Internal Audit directly aligns itself with the University's mission by contributing to the fulfilment of the goals and objectives articulated within the University'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 University.

- 3.2 Internal Audit will normally carry out work according 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 the objectivity or independence of Internal Audit or the achievement of the approved audit plan.

4. ROLE

- 4.1 The role of the Internal Audit function is to provide an independent, objective assurance and advice activity designed to add value and improve the operations of the University. It supports the University in accomplishing its objectives by bringing a systemic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 4.2 Internal Audit provides independent, objective assurance on the adequacy of responses to risk, on controls within business processes and the effectiveness of the system of risk management. It remains the duty of management, not the Internal Auditor, to operate an adequate system of internal control.

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 its 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 under review. Internal Audit is not part of the systems of governance, internal control, risk management or compliance but, rather is an independent appraisal function, which seeks to objectively and impartially review and report on these areas.
- 6.2 However, when deemed appropriate by the Internal Auditor in consultation with the Chair of the Audit Committee, the remit of Internal Audit 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 during the performance of the work of Internal Audit.

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 plan and methodology takes appropriate account of the possibility of fraud and will take appropriate action in accordance with the University 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 the professional standards of the Institute of Internal Auditors expressed within the International Professional Practices Framework (IPPF) published by the global institute of Internal Auditors.
- 8.2 In undertaking its work, Internal Audit also have due regard to appropriate professional auditing practice as contained within the Auditing Standards published by the Auditing Practices Board.

9. APPROACH TO WORK / RESPONSIBILITIES

- 9.1 The Internal Auditor shall develop an overall audit strategy to provide a clear direction for the development of the Internal Audit function for the benefit of its stakeholders over a multi-year period. This strategy will be reviewed annually and updated periodically.
- 9.2 The Internal Auditor, adopting a risk-based approach and exercising professional judgement, shall prepare annual internal audit plans proposing areas for review, which shall be submitted to the Audit Committee for approval. The annual plan shall take account, *inter alia*, of available resources, the University's risk management process and views of the Chief Risk Officer, knowledge of the University, the 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.
- 9.3 The Internal Auditor will report to the Audit Committee on a periodic basis to advise on the progress of internal audit work against the annual plan and any changes required by changes in the control / risk environment of the University.
- 9.4 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.

- 9.5 The Internal Auditor shall maintain a comprehensive Quality Assurance & Improvement Programme that covers all aspects of the internal audit activity. The programme shall assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.
- 9.6 The Internal Auditor shall prepare an Annual Report to the Audit Committee that summarises the results of significant audit activities undertaken during the year and key information in relation to the operation of the Internal Audit function.
- 9.7 The Internal Auditor will support the Audit Committee in preparing an annual report on behalf of the Committee that includes summary information on audit activities and provides an overview of the year for the 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 Audit Committee on the effectiveness of the systems of internal control and the extent to which Board can rely upon them. This Audit Committee Annual Report shall be submitted prior to the presentation of the annual financial statements to the Board.
- 9.8 The Internal Auditor is the Secretary to the Audit Committee and supports the administration of Committee business. The Audit Committee meets in the absence of the Internal Auditor on a periodic basis at the discretion of members.

10. REPORTING AND RELATIONSHIPS

- 10.1 The Internal Auditor reports directly to the Audit Committee, a Principal Committee of Board, in relation to the work of the Internal Audit function. The Internal Auditor also has a reporting relationship to the College Secretary solely for administrative matters.
- 10.2 The Internal Auditor shall report to the Audit Committee at regular intervals during the year on the results of audit work undertaken.
- 10.3 The Internal Auditor shall liaise with the external auditors engaged on the audits of financial statements. The Internal Auditor may also liaise with other auditors.

11. REVIEW

- 11.1 The Internal Audit Charter shall be reviewed annually by the Internal Auditor and any proposed changes deemed necessary shall to be brought to the Audit Committee for approval.