Mission and Scope of Work:
Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the university’s operations. Therefore the Office of Internal Audit’s primary goal is to help the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The scope of work of the Office of Internal Audit is to determine whether the organization’s network of risk management, internal control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure that:

- Areas of risk are identified, minimized and appropriately addressed.
- University programs, plans and objectives are achieved.
- Significant financial, managerial and operating information is accurate, reliable and timely.
- Departments and employees are in compliance with internal and external policies, procedures, laws and regulations.
- Resources and assets are acquired economically, used efficiently and adequately protected.
- University data and information systems are properly managed and secured.

Reporting and Accountability:
The Office of Internal Audit shall be accountable to the Board of Trustees through the Finance and Audit Committee and to the Chancellor to:

- Provide annually an assessment on the adequacy and effectiveness of the organization’s processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Provide information periodically on the status and results of the annual audit plan and the sufficiency of department resources.

Independence:
The Office of Internal Audit should be free from interference in determining the scope of internal auditing, performing work and communicating results. To provide for the independence of the Office of Internal Audit, the Director of Internal Audit, reports to the Finance and Audit Committee and the Chancellor. Objectivity and independence are crucial to the duties of Internal Audit. Either may be compromised if auditors participate directly in preparing records/accounting transactions, designing systems and operations or directing activities of any organization employee not employed by the Office of Internal Audit. Therefore, the Internal Audit staff will serve only in an advisory capacity regarding these matters.

Responsibility:
The Director of Internal Audit and staff are responsible for:

- Developing an annual audit plan using a risk-based methodology. Development of the audit plan will be based on significant risks or control concerns identified by the Chancellor, Board of Trustees, University management and the professional judgment of the Internal Audit staff. The plan will be submitted to the Chancellor and the Board of Trustees for approval.
- Implementing the approved audit plan, including as appropriate any special tasks or projects requested by the Chancellor, the Board of Trustees or the State Auditor.
- Monitoring and evaluating the effectiveness of the organization’s risk management processes.
- Assessing information security and information technology controls in all appropriate projects.
- Maintaining a professional audit staff with sufficient knowledge, skills, and experience and professional certifications to meet the requirements of the charter.
- Establishing a quality assurance program by which the Director assures the operation of internal auditing activities.
- Performing consulting services, beyond internal auditing’s assurance services, to assist management in meeting its objectives. Examples may include facilitation, training and advisory services.
- Evaluating and assessing changes in functions or services, processes, operations and control processes coincident with their development, implementation and/or expansion.
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- Issuing quarterly reports to the Chancellor and the Board of Trustees summarizing results of audit activities.
- Keeping the Chancellor and the Board of Trustees, through the Finance and Audit Committee, informed of emerging trends and practices in internal auditing.
- Assisting or conducting any investigation of suspected fraudulent activities within the University and notifying the Chancellor and the Board of Trustees through the Finance and Audit Committee of the results.
- Considering the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization. Coordinating all external audits of the University.
- Identifying potential conflicts of interest and mitigating potential problems regarding these conflicts.

Authorization:
The Office of Internal Audit is authorized by the Chancellor and the Board of Trustees to:
- Have unrestricted access to all University offices/departments/functions, records (electronic or manual), physical properties and personnel.
- Have unrestricted access to all persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21.
- Have unrestricted access to the Finance and Audit Committee.
- Allocate resources, select subjects, determine scope of work and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.

The Office of Internal Audit is not authorized to:
- Perform operational duties for the organization or its affiliates
- Initiate or approve accounting or other transactions external to the internal audit department
- Direct the activities of any university employee not employed by the internal audit department except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the external auditors.

Audit Standards:
The Office of Internal Audit conforms to the International Standards for the Professional Practice of Internal Auditing. Furthermore, Internal Audit will govern itself by adherence to the Institute of Internal Auditor’s mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Audit (Standards). Guidelines from the Information Systems Audit and Control Association, the Association of College and University Auditors and the National Association of College and University Business Officers are also followed in internal audits and reviews.

David Belcher, Chancellor, Western Carolina University

Date: 13 Sept. 2013