



OLLSCOIL NA GAILLIMHE
UNIVERSITY OF GALWAY

University of Galway

Internal Audit Charter

September 2023

1. Introduction

- 1.1 It is the policy of the University of Galway to have and support the development of an Internal Audit Unit (IAU) within the University.
- 1.2 The Internal Audit Charter sets out the purpose, authority, responsibility and reporting relationships of the IAU within the University.
- 1.3 The Charter will be subject to review and approval on an annual basis.

2. Purpose and Mission

- 2.1 The purpose of the IAU is to provide an independent, objective assurance and consulting activity that is guided by a philosophy of adding value and improving the operations of the University of Galway. The mission of internal audit is to enhance and protect organisational values by providing risk-based and objective assurance, advice, and insight.
- 2.2 IAU helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the University's risk management system, internal controls and governance processes.
- 2.3 The objective of the IAU is to assist managers in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.
- 2.4 Through its work, the IAU provides assurance to the Accounting Officer, being the President, and Audit and Risk Committee (ARC) as to the adequacy of the University's internal control system.

3. Governing Authority Policy Statement

- 3.1 The University recognises the significant contribution to good governance and effective internal control made by an efficient and effective internal audit function. The University pledges its full support to the IAU in discharging the authorities and responsibilities contained in this Charter and undertakes to provide adequate resources to the IAU to properly discharge its function.

4. Organisation

- 4.1 The IAU reports functionally to the ARC and administratively to the President. The ARC is a subcommittee of the Governing Authority, Údarás na hOllscoile (“Údarás”). The Director of Internal Audit will have direct access to the Chairperson of Údarás and the Chairperson of the ARC and meets the Chairperson of Údarás one to one at least once annually.
- 4.2 To establish, maintain, and assure that the University's IAU has sufficient authority to fulfil its duties, the ARC will:

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- Approve the internal audit charter annually.
 - Approve the annual IAU work programme including internal audit plan.
 - Approve the internal audit annual report.
 - Receive communications from the Director of Internal Audit on the IAU's performance relative to its plan and other matters.
 - Approve decisions regarding the appointment and removal of the Director of Internal Audit.
 - Make appropriate inquiries of management and the Director of Internal Audit to determine the scope of its work or resource limitations.

5. Roles and responsibilities

- 5.1 The IAU holds specific responsibilities relating to internal audit.
- 5.2 The activity and responsibilities of the IAU are established and defined by Údarás and the ARC.
- 5.3 The IAU operates in accordance with this charter as approved by the ARC. It undertakes its work programme under the general supervision and guidance of the ARC and in accordance with the International Standards for the Professional Practice of Internal Auditing.

6. Authority

- 6.1 The IAU, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unfettered access to all the University's records, physical properties, and personnel pertinent to their work. All employees are required to assist the IAU in fulfilling its roles and responsibilities.
- 6.2 The IAU may procure third party services to support the completion of its activities. These third parties, in accordance with University's policy and signed contracts, will also be authorised the same access to all information relating to their internal audit activity.

7. Independence and objectivity

- 7.1 The IAU will remain free from all conditions that threaten its ability to carry out its responsibilities in an unbiased manner including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent attitude.
- 7.2 The IAU will maintain an unbiased mental attitude that allows it to perform engagements objectively. It will ensure that no quality compromises are made, and that it does not subordinate its judgment on audit matters to others. It will exhibit

the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or processes examined.

The IAU will have no direct operational responsibility or authority over any of the activities audited. Accordingly, it will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair its judgement. They may however review systems under development and offer advice on appropriate controls without prejudicing its right to subsequently audit such systems.

7.3 Where the IAU have or are expected to have roles and responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence and objectivity.

7.4 The IAU will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by its own interests or by others in forming judgements.

7.5 If the Director of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties. She will disclose to the ARC and Údarás any interference and related implications in determining the scope of internal audit, performing its work, drafting reports or communicating results.

7.6 Through the IAU annual report, the Director of Internal Audit will confirm to the ARC and Údarás, the organisational independence of the IAU.

8. Professionalism:

8.1 The IAU will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF¹). This includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice

¹ [International Professional Practices Framework \(IPPF\) | The IIA](#)

of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

- 8.2 The IAU will consider, where relevant, requirements per the latest Departmental and Public sector circulars, Codes of Governance, and best practice guidance in carrying out its roles and responsibilities.
- 8.3 The Director of Internal Audit will report annually to senior management, ARC and Údarás regarding the IAU's conformance to IPPF, the Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, and the International Standards.
- 8.4 Staff within the IAU will collectively possess or obtain the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter. They will complete the required continued professional development annually in line with their professional qualifications.

9. Scope of internal audit activities

- 9.1 The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the ARC, Údarás, University management, and outside parties on the adequacy and effectiveness of governance, risk management, and systems of internal control in operation within for the University. These audit assessments include evaluating whether:
- Risks relating to the achievement of the University strategic objectives are appropriately identified, documented, and managed.
 - University operations, roles, and responsibilities comply with University's policies, procedures, and applicable laws, regulations, and governance standards.
 - The results of operations are consistent with values, established goals and objectives.
 - Operations are being carried out effectively and efficiently.
 - Established processes and systems enable compliance with the policies, procedures, laws, and regulations and governance standards.
 - Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
 - Resources and assets are acquired economically, used efficiently, and protected adequately.
- 9.2 IAU is responsible for providing independent, objective assurance to the Accounting Officer, ARC, and Údarás.

- 9.3 The IAU produces an annual audit plan based on a risk assessment of all areas under its remit, discussion with senior management and changes in the operational and economic conditions.

In relation to the plan, the IAU:

- Considers the scope of work and liaises with external auditors for the purpose of providing optimal audit coverage.
- Implements the audit plans as approved.
- Considers best practice guidelines.
- Reports significant issues relating to the processes for controlling the activities of the University arising from the internal audit work undertaken.
- Issues reports to the ARC addressing the results of audits conducted summarising findings, recommendations, agreed management actions and timelines for implementation of actions.
- As part of findings follow-up reviews, IAU will monitor and report to management and the ARC on progress towards the implementation of agreed audit recommendations through the outstanding actions log.

- 9.4 The Director of Internal Audit will report periodically to UMT, ARC and Údarás regarding:

- The IAU's purpose, authority, and responsibility.
- The IAU's plan and performance relative to its plan.
- The IAU's conformance with best practice standards, and action plans to address any significant conformance issues, as identified.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the ARC or Údarás.
- Results of audit engagements or other activities.
- Results of effectiveness reviews.
- Resource requirements.
- Management responses to risk or audit queries that may be unacceptable.

- 9.5 The Director of Internal Audit coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The IAU may perform other advisory or assurance based activities and special projects, the nature and scope of which will be agreed with senior management and ARC, provided it does not assume management responsibility.

- 9.6 Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

10. Internal audit responsibilities

- 10.1 IAU activities will be determined using appropriate risk assessment tools to ensure adequate coverage of risks and exposures across the University.

- 10.2 The IAU has responsibility to:

- Maintain an internal audit universe comprising all areas of the University.
- Develop an annual IAU work programme including an internal audit plan and submit to the ARC for approval.
- Implement the audit plans as approved.
- Remain up to date and consider regulations and best practice standards and guidance.
- Report significant issues relating to the processes for controlling the activities of the University arising from the internal audit work undertaken.
- Issue reports to the ARC addressing the results of audits conducted summarising observations and recommendations made.
- Monitor and report to management and the ARC on progress towards the implementation of agreed management actions.
- Prepare an annual internal audit report for submission to ARC for approval.
- Where required, evaluate, and assess controls coincident with the introduction of major changes to systems.
- Where requested, provide technical assistance to management or complete specific reviews to assist in the investigation of suspected fraudulent activity within the University.
- Ensure that the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure that trends and emerging issues that could impact the University are considered and communicated to senior management, ARC and Údarás as appropriate.
- Ensure that emerging trends and successful practices in internal audit are considered.
- Establish and ensure adherence to University's policies and procedures as well as Department of Public Expenditure and Reform (DPER) and Department of Further and Higher Education, Research, Innovation and Science guidelines and relevant legislation.

11. Completion of audits

- 11.1 The IAU to conduct the audits as per the agreed internal audit plan.

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- 11.2 Appropriate plans are prepared for each audit in line with the terms of reference.
 - 11.3 A systems-based approach is applied to audits, supplemented, where appropriate, by the use of transaction testing, vouching and verification methods on a sample basis.
 - 11.4 Audit fieldwork is carried out in accordance with the standards and guidelines published by the Institute of Internal Auditors and with all relevant standards and guidelines as issued by the Department of Finance, the DPER and the Department of Further and Higher Education, Research, Innovation and Science.
 - 11.5 Appropriate audit evidence will be obtained during the course of an internal audit. The IAU will ensure that all information and records obtained and reviewed during the course of the audit are kept confidential.
 - 11.6 The IAU will maintain audit working papers to support conclusions arising from the audit.

12. Reporting

- 12.1 The draft internal audit report will be discussed with the appropriate UMT member and audit contact in the form of a “closing meeting” for discussion on factual accuracy and to determine the agreed management actions.
- 12.2 The final draft of the report including the agreed management actions and timelines for completion will be submitted for consideration and approval at the following meeting of the ARC.
- 12.3 Once approved the report is deemed final.
- 12.4 As required, IAU will report to the ARC, UMT and Údarás on all audit reports and significant risk exposures, control issues, including fraud risks, governance issues, and other matters deemed appropriate.
- 12.5 The Director of Internal Audit will report immediately to the Accounting Officer on any matter she considers to be of sufficient seriousness to place the organisation at risk either from a financial or reputation perspective.

13. Post Audit Action

- 13.1 It is the responsibility of management and not that of the IAU to take action when internal audit reports are issued. The manager of the activity should review all findings and recommendations within the agreed timeframe and should initiate actions to address all matters raised.
- 13.2 The IAU will maintain an outstanding actions log to monitor the implementation of agreed actions following approval of the audit reports. An update on the

implementation of these will be sought on a quarterly basis. The report will then be updated accordingly and presented at the next meeting of the ARC and UMT.

- 13.3 A prior year lookback audit will be completed on an annual basis to review those findings deemed closed by senior management as part of the quarterly OAL process.

14. Internal audit annual report

- 14.1 The IAU will prepare an annual report at each year end.
- 14.2 The report will include the relevant assurances and declarations as outlined in this charter and required by best practice guidance.
- 14.3 The report will be issued to the ARC for review and approval, which will support the ARC annual report.

15. Quality Assurance Review Program

- 15.1 IAU will develop and maintain a quality assurance and improvement programme that covers all quality aspects of internal audit activity and continuously monitor its effectiveness. As mandated by the DPER, the IAU will fully conform to the International Professional Practices Framework of the Institute of Internal Auditors.



Pauline Cronin

Director of Internal Audit

Date: 25/9/2023



Ms. Carmel O'Connor

Chairperson of Audit and Risk Committee

Date: 25/9/2023



Mr. Ciarán O hÓgartaigh

Accounting Officer (President)

Date: