

University of Richmond Internal Audit Charter

MISSION AND SCOPE OF WORK

The mission of the Office of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

College administration has the primary responsibility for establishing and maintaining a system of internal controls. Internal audit supports the members of the University community by examining and evaluating University activities and furnishing management with objective, timely and accurate analyses, recommendations, counsel and information concerning University activities.

ACCOUNTABILITY

The Director of Internal Audit, in the discharge of his/her duties, shall be accountable to the Audit Committee to:

- Provide assessments of the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks
- 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
- Coordinate with other control and monitoring functions (risk management, compliance, URPD, legal, ethics, environmental, external audit) as needed

INDEPENDENCE

To provide organizational independence, the internal audit staff reports to the Director of Internal Audit, who, in turn, reports functionally to the Board and the Chair of the Audit Committee and administratively to the Vice-President for Business and Finance in a manner outlined in the above section on accountability.

RESPONSIBILITY

The Director of Internal Audit and the staff of the Office of Internal Audit have the responsibility to:

- Review the effectiveness and efficiency of the use of University resources

- Review the timeliness, reliability and integrity of financial and operating records and reports
- Verify the existence of University assets and determine the extent to which they are accounted for and safeguarded
- Confirm compliance with University policies and procedures, and with state and federal laws and regulations
- Make appropriate, constructive and timely recommendations to management when information gathered during audits indicate that improvements could be made in internal controls, compliance, or other areas
- Evaluate the system of internal controls
- Evaluate the accuracy, effectiveness and efficiency of the University's electronic information and processing systems
- Investigate suspected occurrences of fraud, embezzlement, theft, waste, etc. and recommend controls to prevent and detect such occurrences
- Coordinate audit efforts with, and provide assistance to, the University's external auditors.

AUTHORITY

The Director of Internal Audit and the staff of the Office of Internal Audit are authorized to:

- Have unrestricted access to all functions, records, property and personnel relevant to the performance of their work
- Have full and free access to the audit committee
- Allocate resources, set frequencies, select subjects, determine scopes 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.

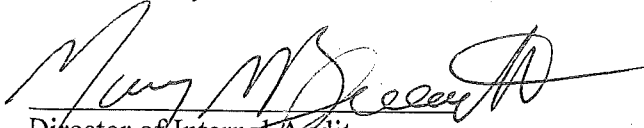
The Director of Internal Audit and the staff of the Office of Internal Audit are not authorized to:

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

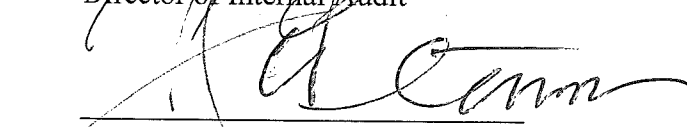
Professional Standards and Ethics

Internal Audit is guided by *The International Standards for the Professional Practice of Internal Auditing* and related practice advisories as set forth by the Institute of Internal Auditors (IIA); the Association of College and University Auditors (ACUA); the Information Security Audit and Control Association (ISACA); and the Association of Certified Fraud Examiners (ACFE).

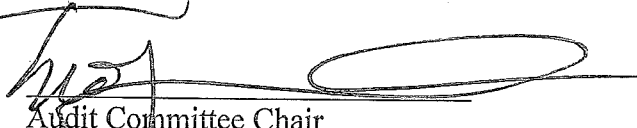
Members of the department are expected to maintain high standards of conduct, independence, confidentiality and objectivity in performing their duties, and adhere strictly to the University's Code of Ethics.



Director of Internal Audit



VP for Business and Finance



Audit Committee Chair

Dated: 4/10/08