Mission and Scope of Work

The mission of the Office of Internal Audits (Internal Audit) is to provide independent, objective assurance and consulting services designed to add value and improve UTD’s operations. Internal Audit helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control mechanisms, and operational and governance processes.

The scope and nature of Internal Audit work includes:

- Evaluating and contributing to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.
- Assisting the university in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement and responding to risks within the university’s governance, operations, and information systems regarding:
  - Reliability and integrity of financial and operational information;
  - Effectiveness and efficiency of operations;
  - Safeguarding of assets; and
  - Compliance with laws, regulations, and contracts.
- Providing assurance services which consist of an objective examination of evidence to provide independent assessments. Examples include financial, operational, compliance, and information technology audits.
- Proving consulting services, the nature and scope of which are agreed with management, and are intended to add value and improve governance, risk management, and control processes. Examples include counsel, advice, facilitation, and training.

Accountability

The Director of Internal Audit (Chief Audit Executive) shall be accountable to the UT Dallas President and the UT Dallas Audit and Compliance Committee, and ultimately to the UT System CAE, the UT System Chancellor, and the Audit, Compliance, and Management Review Committee of the UT System Board of Regents to:

- provide assessments on the adequacy and effectiveness of UT Dallas’ 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 UT Dallas, 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 the Office of Internal Audit resources.
serve as liaison between the university and other external monitoring functions and provide information regarding the status of audits and reviews

**Independence**

To provide for the independence of the Office of Internal Audit, the Chief Audit Executive reports to the President. The CAE also has a dotted line reporting to the CAE at UT System Administration who reports administratively to the General Counsel to the Board of Regents and functionally to the Audit, Compliance, and Management Review Committee (ACMR) of the Board and the Chancellor.

**Responsibility**

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

- develop a flexible annual audit plan using an appropriate risk-based methodology consistent with the university's goals with input from senior management and the Audit and Compliance Committee, and submit that plan to the Audit and Compliance Committee and ACMR for review and approval
- implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management
- share information and coordinate activities with both internal and external control and monitoring functions to ensure proper coverage and minimize duplication of efforts
- provide information to the UT System Chief Audit Executive as required by UTS129 or requested to fulfill the System-wide audit oversight and reporting responsibilities
- establish a quality assurance program by which the CAE assures the operational quality of internal audit activities
- meet at least quarterly with the Audit and Compliance Committee providing periodic reports summarizing the results of audit activities, emerging trends, and successful practices in internal auditing
- assist in the investigation of significant suspected fraudulent activities as requested by management and in accordance with the UTS118, *Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities*
- file internal audit reports and related responses or action plans with the UT System Audit Office, the Office of the Governor, the State Auditor's Office, the Sunset Advisory Commission, and the Legislative Budget Board
- prepare the annual report required by the Texas Internal Auditing Act (Section 2102, Government Code) and submit the report to the UTD President, UT
System Audit Office, the Office of the Governor, the State Auditor’s Office, the Sunset Advisory Commission, and the Legislative Budget Board

- maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter, including ensuring appropriate continuing professional development to ensure the staff has the skills and abilities to perform audit assignments
- perform special requests, projects, investigations, and consulting services as requested by management

Authority

Internal Audit staff is authorized to:

- Have full, free, and unrestricted access to all functions, activities, records, property, information systems, and personnel needed to accomplish its mission and scope of work
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives
- Obtain the necessary cooperation and assistance of personnel in units where Internal Audit performs audits, as well as other specialized services from within or outside the institution

Internal Audit staff is not authorized or expected to:

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

Standards of Audit Practice

The Internal Audit Activity will conform with The Institute of Internal Auditors’ International Professional Practices Framework that includes the Definition of Internal Auditing, The International Standards for the Professional Practice of Internal Auditing, and the Code of Ethics; Generally Accepted Government Auditing Standards; The Texas Internal Auditing Act; and UTS129, Internal Audit Activities, as applicable.

Charter

The Internal Audit Charter was formally approved by the UT Dallas Audit and Compliance Committee on March 1, 2010. Periodic reviews of the charter will be performed by the Committee.