THE UNIVERSITY OF NOTRE DAME AUSTRALIA

Procedure:

Delivery of Internal Audit

Effective: 10 July 2025

Audience: Employees

Policy Category: Governance
Policy Sub-category: Risk and Audit

Key words:	Internal Audit, delivery
Procedure Owner:	Audit and Risk Committee
Responsible Officer:	Director, Risk and Assurance
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Contents

1 PURPOSE 3
2 RELATED POLICIES AND PROCEDURES 3
3 SCOPE 3
4 RESPONSIBILITIES 3
5 DELIVERING AN INTERNAL AUDIT ENGAGEMENT 4
6 REVIEW OF THIS PROCEDURE 6
7 DEFINITIONS 6
8 PROCESS SUMMARY 8
ANNEX 1: INTERNAL AUDIT RATINGS DEFINITION 10

1 PURPOSE

1.1 To provide guidance to the University of Notre Dame Australia (**University**) Audit and Risk Committee (**Committee**), management, and Internal Audit on the process to deliver an internal audit engagement. This Procedure supports the implementation of the Internal Audit Charter.

1.2 To articulate the roles and responsibilities required, and the processes to deliver an internal audit engagement.

2 RELATED POLICIES AND PROCEDURES

2.1 This Procedure should be read in conjunction with the following policies and procedures:

2.1.1 *Internal Audit Charter*

2.1.2 *Procedure: Internal Audit Planning*

2.1.3 *Procedure: Follow-up of Outstanding Internal Audit Recommendations*

2.1.4 *Procedure: Internal Audit Key Performance Indicators*

3 SCOPE

3.1 This Procedure describes the end-to-end process of the delivery of an internal audit as well as the roles and responsibilities of any person or group involved in the process.

3.2 This Procedure is primarily concerned with the scoping and delivery of internal audit activities. The Internal Audit Planning process, including the identification of indicative scope areas to be addressed by individual internal audits is covered within *Procedure: Internal Audit Planning*.

3.3 Internal audits are subject to ongoing internal audit follow-up processes, to ensure that agreed management actions are addressed and implemented. The process to follow-up and report on outstanding internal audit recommendation is documented within *Procedure: Follow-Up of Outstanding Internal Audit Recommendations*.

3.4 This Procedure is applicable to:

3.4.1 Committee Members

3.4.2 The Internal Audit function, and

3.4.3 Any person or group involved in the development of the Internal Audit Plan, including management.

4 RESPONSIBILITIES

4.1 The **Committee**:

4.1.1 Reviews and endorses internal audit reports as submitted by Internal Audit, including reviewing the adequacy of management's actions in response to internal audit findings.

4.2 The **Internal Audit Executive** is responsible for the Internal Audit function. The Internal Audit Executive:

4.2.1 Ensures all stakeholders of the Internal Audit function are aware of and understand this Procedure

4.2.2 Facilitates the communication between Internal Audit and the University Executive

(where required) throughout the internal audit delivery process, and

4.2.3 Should there be significant changes to the indicative audit scope, resulting in additional resourcing required, the Internal Audit Executive's approval of the amended scope is required.

4.3 Internal Audit:

4.3.1 Conducts a scoping meeting with the Responsible Executive, or delegate, to work through the indicative scope, and confirm approach, timing, and key contacts

4.3.2 Develops a tailored engagement scope and seeks feedback from the Responsible Executive and/or the key personnel identified

4.3.3 Seeks agreement with the engagement scope from the Responsible Executive and the Internal Audit Executive (where applicable)

4.3.4 Engages with relevant delegates for the logistics of the individual internal audits

4.3.5 Conducts the internal audit fieldwork by performing relevant audit procedures to address the internal audit scope

4.3.6 Drafts the internal audit report

4.3.7 Conducts a meeting with the Responsible Executive and/or nominated delegates to discuss audit observations, formulate audit recommendations, and rate the risk exposure of the audit findings

4.3.8 Distributes the draft report to the Responsible Executive and nominated key personnel for management comment

4.3.9 Submits the final internal audit report to the Committee for ratification

4.3.10 Submits an internal audit feedback survey to the Responsible Executive for completion, and

4.3.11 Obtains and compiles the results of the internal audit satisfaction surveys.

4.4 The **Responsible Executive**:

4.4.1 Provides input into the definition of the internal audit scope, approach, timing and nominating key contact for the internal audit

4.4.2 Reviews the internal audit scope in a timely manner, prior to the commencement of the internal audit fieldwork

4.4.3 Ensures that Internal Audit has access to all the required documentation, systems and personnel to perform the necessary internal audit procedures

4.4.4 Provides management comments and ensuring that measurable actions are provided to address the internal audit recommendations. This includes an overall management comment, and

4.4.5 Responds to the internal audit feedback survey in a timely manner.

5 DELIVERING AN INTERNAL AUDIT ENGAGEMENT

5.1 The following are performed by Internal Audit in delivering an internal audit.

5.2 Internal Audit Planning and Scoping

5.2.1 The timeframe to begin engagement planning and scoping is driven by the indicative audit timing as recorded in the endorsed Internal Audit Plan.

5.2.2 Approximately three to six weeks prior to the scheduled internal audit, the Internal Audit function will share the indicative scope and conduct a scoping meeting with the

Responsible Executive.

5.2.3 This meeting will define the audit scope, approach, timing and key contact(s) that will be involved in the audit, and any relevant stakeholders to which the internal audit report must be distributed to.

5.2.4 Following the meeting, the Internal Audit function will develop and distribute a draft internal audit scope to the Responsible Executive for review.

5.2.5 Where there are significant changes requested to the indicative audit scope (as per the Internal Audit Plan), and/or significant additional internal audit resourcing is required, the Internal Audit Executive's approval of the amended scope is required.

5.3 Internal Audit Fieldwork

5.3.1 Approximately one to two weeks prior to the agreed commencement date, the Internal Audit function will liaise with the nominated key contact to arrange logistics required for the internal audit. This may include preliminary requests of documentation, data extracts from key systems, and policies, procedures or relevant reporting performed.

5.3.2 At the commencement of the fieldwork, if required, an entrance meeting may be conducted with the key personnel and process owner to talk through the scope items and further discuss audit requirements.

5.3.3 During fieldwork, Internal Audit will perform procedures to address the audit scope. The approach may involve a combination of consideration of procedural documentation, interviews with the key personnel (including the Responsible Executive as appropriate), sample testing of identified controls, data analytics, and the performance of process walkthroughs or re-performance of process steps.

5.4 Internal Audit Reporting

5.4.1 At the end of the fieldwork, Internal Audit will conduct an exit meeting with the process owners/nominated key personnel to discuss audit observations gathered throughout fieldwork.

5.4.2 This meeting will confirm the factual accuracy of the audit observations, discuss potential recommendations and ratings pertinent to each finding identified. Internal audit findings should be rated in accordance with the **Internal Audit Ratings Definition** in Annex 1 of this Procedure.

5.4.3 A draft internal audit report is distributed to the Responsible Executive and process owners/key personnel for review and comment. The returned management comments provided must include the following:

5.4.3.1 An overall management comment from the Responsible Executive. The overall management comment forms part of the report's executive summary

5.4.3.2 An agreed management action in response to each individual audit recommendation

5.4.3.3 A person to be allocated as responsible for implementing the agreed management action, and

5.4.3.4 A due date for the agreed action to be completed. The due dates timeframes should be reasonable given the severity of the underlying risk of the audit finding, whilst also considering the practicalities of allowing enough time to implement actions that appropriately address the recommendation.

5.4.4 Where the internal audit report also includes 'Performance Improvement Opportunities, or 'Other Audit Comments,' management will be required to provide a

response for the audit report; these actions do not require a due date and are not followed up as part of the activities documented within *Procedure: Follow-Up of Outstanding Internal Audit Recommendations.*

5.4.5 The final report will be distributed to the Responsible Executive, Internal Audit Executive, relevant process owners and stakeholders, and the University Executive. Where appropriate, academic related internal audit reports are also presented to Academic Council by the relevant Responsible Executive through the appropriate channels.

5.4.6 The final report will be tabled at Committee meetings for ratification.

5.5 Feedback on the delivery of internal audits

5.5.1 Upon distribution of the final internal audit report, Internal Audit will send an audit feedback survey to the nominated key personnel/process owner.

5.5.2 The feedback survey should be returned by the Responsible Executive to Internal Audit within two weeks of receipt of the survey, for the purposes of assessing the effectiveness of the Internal Audit function.

5.6 Follow-up of outstanding internal audit recommendations

5.6.1 Follow-up of the outstanding internal audit recommendation occurs three times a year, and is facilitated by Internal Audit. The process is documented within *Procedure: Follow-Up of Outstanding Internal Audit Recommendations.*

6 REVIEW OF THIS PROCEDURE

6.1 This Procedure should be reviewed every three years by the Internal Audit Executive to ensure that the Procedure is current and accurately reflect the process that should be followed.

7 DEFINITIONS

7.1 For the purpose of this Procedure, the following definitions apply:

7.1.1 ***University Executive*** means the executive management group of the University.

7.1.2 ***University*** means the University of Notre Dame Australia.

7.1.3 ***Chair*** means the person appointed to lead the University's Committee.

7.1.4 ***Internal Audit*** means the independent, objective assurance and consulting function designed to evaluate and improve the effectiveness of risk management, control and governance processes.

7.1.5 ***Internal Audit engagement*** means the application of specific Internal Audit resources and methodology to complete a discrete scoped piece of work.

7.1.6 ***Internal Audit Executive*** means the Executive of the University who operationally manages the Internal Audit function.

7.1.7 ***Responsible Executive*** means the member of the University Executive accountable for the process area subject to a specific internal audit engagement.

7.1.8 ***Internal Audit Plan*** refers to the annual Internal Audit Plan endorsed by the Committee, listing the proposed internal audit activities across the organisation covering high-risk

areas, core, and enabling business processes.

7.1.9 ***Internal Audit Follow-Up*** refers to the process to monitor the progress on the action taken to address any outstanding internal audit recommendation.

Version	Date of approval	Approved by	Amendment
1	20 June 2019	PVC, Strategy and Planning	Effective date – new Procedure.
	16 July 2020	PVC, Strategy and Planning	Review date changes from July 2020 to July 2022 in line with Policy Framework.
2	6 August 2020	Board of Directors	References to Finance, Audit and Risk Committee replaced with Audit and Risk Committee.
	21 February 2022	University Secretary	Administrative change to reflect new policy owner.
3	13 July 2022	Audit and Risk Committee	Update of Appendix 1
4	25 August 2023	Board of Directors	Process updated to include requirement to present academic related internal audit reports to Academic Council, where appropriate.
5	10 July 2025	Audit and Risk Committee	Minor amendments to wording and formatting corrections.

8 PROCESS SUMMARY

Process Step	***Responsibility***
Internal Audit Planning and Scoping • 3 to 6 weeks prior to the scheduled internal audit, meet with Responsible Executive to define the audit scope as per clause 5.2.3 • Draft internal audit scope for the Responsible Executive's review • Arrange logistics required for internal audit 1 to 2 weeks prior to commencement date	Internal Audit Executive via Director Risk and Assurance
Internal Audit Fieldwork • Conduct Entrance Meeting with key personnel and process owner • Perform relevant audit procedures as per internal audit scope • Conduct Exit Meeting at the end of fieldwork with process owner and key personnel to discuss audit observations (as per clause 5.4.2)	Internal Audit Executive via Director Risk and Assurance
Internal Audit Reporting • Draft internal audit report and distribute to the Responsible Executive and process owner/key personnel for review and comment, as per agreed timeframes. • Develop and provide comments (as per clauses 5.4.3 to 5.4.4) to Internal Audit • Finalise and distribute internal audit report to Responsible Executive, relevant process owners and stakeholders, and University Executive • Table final internal audit report at Committee meeting • Ratify final internal audit report	Internal Audit Executive via Director Risk and Assurance Responsible Executive Internal Audit Executive via Director Risk and Assurance Internal Audit Executive via Director Risk and Assurance Committee

Feedback on delivery • Provide audit feedback survey form to nominated key personnel/process owner • Complete survey and return to Internal Audit within 2 weeks	Internal Audit Executive via Director Risk and Assurance Responsible Executive



Follow-up of recommendations • Follow-up outstanding internal audit recommendations 3 times per year as per *Procedure: Follow-up of Outstanding Internal Audit Recommendations*	Internal Audit Executive via Director Risk and Assurance

ANNEX 1: INTERNAL AUDIT RATINGS DEFINITION

This framework provides a basis for prioritisation of Internal Audit findings according to their relative significance dependent on their impact to the relevant process/function. Each finding/recommendation in an Internal Audit report will be rated in accordance with this definition. The *Examples of Impact* are drawn from the University's risk ratings as approved by the Audit and Risk Committee in May 2021.

Rating	Definition	Examples of impact	Action(s) required
Catastrophic	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives	• Institutional Church: UNDA matter or issue reaching the Holy See level requiring Trustee Action. Potential loss of Canonical status. • Significant stakeholder: UNDA matter or issue with multiple significant stakeholders requiring Board Action. Potential loss of significant critical partnerships. • Financial impact: The greater of: >10% of Revenue: or >$10m of EBITDA; or >50% of Cash • Wellbeing, Health & Safety: Death or permanent extreme disability to person on campus/participating in UNDA activities. Widespread behavior in opposition to our values (such as bullying, harassment and discrimination). • Reputation: Widespread sustained adverse Media attention and criticism. Significant decline in staff/student satisfaction; damage to or loss of key stakeholder support. • Business disruption: Ongoing or sustained disruption affecting a significant number users (e.g. Campus wide), may result in abandonment of semester. Loss, sustained inability to access, or significant unauthorised access/exposure of critical organisational information/data e.g. Student records resulting in significant disruption to core University functions. • Legal, compliance and internal policy: Breach of legislation, contract, rule and/or internal process/policy leading to significant and costly legal action with widespread potential impact for the University. Litigation or criminal prosecution and or major negative sanction by regulatory body. • Government / Political: Government or political action that prevents the University from meeting its Objects or Canonical obligations. • Academic Integrity: Multiple substantiated claims of compromised academic integrity, including evidence of systemic academic fraud and research misconduct. • Operational Excellence: Significant drop in standard for quality of University research, teaching and/or student outcomes. • Student Experience, Enrolment and Retention: Widespread and sustained reduction in student intake or significant deviation from enrolment and diversification targets. Significant and sustained reduction in retention. Significant and sustained fall in student satisfaction. Amongst bottom five in Student Outcome Survey ranking. • Social and Community Responsibility: Permanent adverse impact to the community, environment, social infrastructure or highly valued areas / items of cultural significance.	• Requires immediate notification to the Audit and Risk Committee. • Requires Board/VC attention. • Requires interim action within 7-10 days, followed by a detailed plan of action to be put in place within 30 days with an expected resolution date and a substantial improvement within 90 days.

Rating	Definition	Examples of impact	Action(s) required
Major	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	• Institutional Church: UNDA matter or issue with a senior Church leader, requiring action at VC and Board/Trustee Level. • Significant stakeholder: UNDA matter or issue with Significant Stakeholder requiring VC and Board action. Potential loss of major partnership. • Financial impact: The greater of: >5% <10% of Revenue: or >$5m <$10m of EBITDA; or >20% <50% of Cash • Wellbeing, Health & Safety: Major injury or wellbeing issue to person on campus/participating in UNDA activities resulting in absence from work/study >3 months. Systematic behaviour in opposition to our values (such as bullying, harassment and discrimination). • Reputation: Student body/community concern. Large number of people affected/National Media and Social Media attention and criticism. • Business disruption: Ongoing or sustained disruption affecting a significant number users (e.g. Campus wide) for more than one week. Loss or sustained inability to access (equivalent of more than one week), or unauthorized access/exposure of organisational information/data e.g. Student records resulting in significant disruption to core University functions. • Legal, compliance and internal policy: Breach of legislation, contract, rule and/or internal process/policy leading to possible legal action, possible litigation or criminal prosecution and/or penalty. External enquiry or regulatory review and/or possible sanction by regulatory body. • Government / Political: Government or Political action that impedes the University's ability to meet its Objects. • Academic Integrity: Multiple substantiated claims of compromised academic integrity, including evidence of academic fraud and research misconduct. • Operational Excellence: Substantiated drop in standard of University research, teaching and/or student outcomes. • Student Experience, Enrolment and Retention: Ongoing decline in student intake or substantial deviation from enrolment and diversification targets. substantial reduction in student retention. Substantial impact on student satisfaction. Rated in lower half of Student Outcome Survey ranking • Social and Community Responsibility: Widespread and long term community and/or environmental impact. Significant adverse economic / cultural impact to the community.	• Requires prompt management action. • Requires VC/Executive attention. • Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.

Rating	Definition	Examples of impact	Action(s) required
Medium	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	• Institutional Church: UNDA matter or issue with a senior Church leader, requiring action at VC level. May Require Board/Trustee involvement. • Significant stakeholder: UNDA matter or issue with a Significant Stakeholder requiring VC action. • Financial impact: The greater of: >2% <5% of Revenue: or >$2m <$5m of EBITDA; or >10% <20% of Cash • Wellbeing, Health & Safety: Major injury or wellbeing issue to person on campus/participating in UNDA activities requiring medical treatment; student absenteeism and/or staff LTI greater than 5 working/study days. Evidence of behaviour in opposition to our values (such as bullying, harassment and discrimination). • Reputation: Adverse local public or media attention small number of people affected. • Business disruption: Ongoing or sustained disruption affecting a significant number of users (e.g. Campus wide) up to one week. Loss, or temporary inability to access organisational information /data (equivalent of up to one week's work) resulting in disruption to a number of University functions. • Legal, compliance and internal policy: Breach of legislation, contract, rule and/or internal process/policy leading to escalated legal enquiries, regulatory or legal. Consequence limited. • Government/Political: Government or Political action that requires the University to significantly change how it operates into the future. • Academic Integrity: Multiple claims of compromised academic integrity, including academic fraud and research misconduct. • Operational Excellence: Multiple un-substantiated signs of a drop in standard of University research, teaching and/or student outcomes. • Student Experience, Enrolment and Retention: Comparative reduction in student intake or moderate deviation from enrolment and diversification targets. Comparative reduction in student intake/retention. Moderate impact on student satisfaction or comparative drop of placement in Student Outcomes Survey ranking. • Social and Community Responsibility: Medium term community and/or environmental impact. Adverse economic / cultural impact to the community.	• Requires short-term management action. • Requires Executive/general management attention. • Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.

Rating	Definition	Examples of impact	Action(s) required
Minor	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	• Institutional Church: UNDA matter or issue with a Priest, requiring action at VC level. • Significant stakeholder: UNDA matter or issue with an agency/section of Significant Stakeholder (e.g. hospital or school within wider system) requiring Executive and/or VC action). • Financial impact: The greater of: >0.5% <2% of Revenue: or >$500k <$2m of EBITDA; or >5% <10% of Cash • Wellbeing, Health & Safety: Minor injury or wellbeing issue to person on campus/participating in UNDA activities requiring medical treatment; student absenteeism and/or staff LTI less than 5 working/study days. Isolated behaviour in opposition to our values (such as bullying, harassment and discrimination). • Reputation: Minimal public or local interest event / resolved at operational level. • Business disruption: Disruption or closure to a number of services/operational areas/ facilities for up to one day. Loss, or temporary inability to access, or of organisational information/data (equivalent to one day's work) resulting in disruption to a number of minor University functions. • Legal, compliance and internal policy: Breach of legislation, contract, rule and/or internal process/policy that may have an impact on the relationship with the third party or the legislator, but no long lasting effect. No litigation or prosecution/penalty. • Government/Political: Government or Political sentiment that has some impact on the University as a Catholic university / educational institution. • Academic Integrity: Isolated claims of compromised academic integrity, including academic fraud and research misconduct. • Operational Excellence: Isolated claims of a drop in standard of University research, teaching and/or student outcomes. • Student Experience, Enrolment and Retention: Minor/temporary impact on student intake or enrolment and diversification targets. Minor/temporary reduction to student retention. Minor/temporary impact on student satisfaction or Student Outcome Survey ranking. • Social and Community Responsibility: Short term community and/or environmental impact. Limited adverse economic / cultural impact to the community.	• Requires management action within a reasonable time period. • Requires management attention. • Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months.