THE UNIVERSITY OF NOTRE DAME AUSTRALIA

Internal Audit Charter

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1 OBJECTS OF THE UNIVERSITY

The University's Objects are defined in Section 5 of its Act of Parliament:

The Objects of the University are:

(a) the provision of university education, within a context of Catholic faith and values; and
(b) the provision of an excellent standard of -
    i. teaching, scholarship and research;
    ii. training for the professions; and
    iii. pastoral care for its students.

2 CHARTER

2.1 This Charter established under the authority of the University of Notre Dame Australia (**University**) outlines the vision, objectives, independence, and role of the Internal Audit function.

2.2 This Charter acknowledges the Institute of Internal Auditors' (**IIA**) standards and code of ethics, and recognizes the IIA's definition of internal auditing: 'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.'

3 INTERNAL AUDIT VISION

3.1 To maintain a professional, respected and relevant Internal Audit function that is adequately resourced and provides objective and independent internal audit activities, and that services the needs and adds value to all areas of the University.

4 INTERNAL AUDIT MISSION STATEMENT

4.1 Under the direction of the Audit & Risk Committee (**Committee**), to provide a responsive, effective, innovative, and highly valued Internal Audit function that assists the University in achieving its objectives, provides assurance over the strategic and key operational risks of the University, and systematically evaluates financial management, risk management, controls, governance, and the implementation of good practice process improvements.

4.2 Through its role, to raise the awareness of risks to the University and provide counsel as appropriate to management, in order to assist them to enhance the performance of the organisation and to maintain an effective control environment.

5 PURPOSE OF INTERNAL AUDIT

5.1 The purpose of Internal Audit is to:

5.1.1 Support an organisational culture which is based on responsible stewardship and focused on the pursuit and realisation of the University's Objects, Mission and Strategy;

5.1.2 Provide an independent and objective assurance to the Board and Management,

designed to add value to the University's operations. Internal Audit assists the University in accomplishing its objectives by bringing a systematic approach to evaluate and improve the effectiveness of the University's risk management, control and governance processes; and

5.1.3 Ensure that the University adopts a good practice approach to internal audit which aligns with industry standards for internal audit work as per the IIA's standards.

6 ROLE AND RESPONSIBILITIES OF THE INTERNAL AUDIT FUNCTION

6.1 Internal Audit is to conduct the following for the University:

6.1.1 Develop the annual and strategic Internal Audit Plans. The Internal Audit Plans should be consistent with the University's strategic and business plans, risk-based methodology, and include risk or control concerns identified by management. Internal Audit Plans should be developed with regard to the University's Risk Profile and Risk Appetite;

6.1.2 Provide the Internal Audit Plan to the Committee for approval prior to commencing any internal audit activity;

6.1.3 Deliver the requirements of the approved Internal Audit Plan, including the assessment of key controls pertaining to operational, financial, and risk management information, and control systems and activities as relevant to the Internal Audit Plan;

6.1.4 Assess other operational and management information and control systems and activities as requested by Management or the Committee in order to provide advice on:

6.1.4.1 Adequacy of key controls;

6.1.4.2 Reliability and integrity of management, financial and operating information and reports;

6.1.4.3 Remedial actions required to improve operational effectiveness and efficiency; and/or

6.1.4.4 Remedial actions taken on issues previously reported.

6.1.5 In delivering the requirements of the Internal Audit Plan and/or as requested by Management or the Committee, Internal Audit's role may include:

6.1.5.1 Assessing the adequacy of systems and procedures, including compliance with policies, plans, procedures and/or regulatory requirements that could have a significant impact on the University's operations;

6.1.5.2 Considering operations or programs to ascertain whether results are consistent with the University's established objectives and goals and whether the operations or programs are being carried out as planned;

6.1.5.3 Assessing significant changes to operations or control processes coincident with their development, implementation, and or expansion; and

6.1.5.4 Carrying out special investigations, appraisals, inspections and examinations in areas that have financial, operational and management impact.

6.1.6 Provide, at the conclusion of each audit activity, a written report (where appropriate) to the Vice Chancellor and the Committee for consideration and further distribution as appropriate;

6.1.7 Follow up the implementation of outstanding internal audit recommendations. Draw attention to any failure to take prompt remedial action relating to internal audit issues previously raised;

6.1.8 Provide independent advisory and facilitation support as appropriate;

6.1.9 Provide at least half yearly an assessment of the Internal Audit function's qualitative and operational performance via Key Performance Indicator reporting; and

6.1.10 Provide information to the Committee periodically on the status and results of the annual Internal Audit Plan and the sufficiency of Internal Audit resources.

6.2 Where external providers or advisors are engaged, Internal Audit will have a coordinating and supervisory role, including considering their scope of work for the purpose of providing optimal audit coverage to the University at a reasonable cost.

6.3 This role is consistent with the Professional Practices Framework of the Institute of Internal Auditors.

7 INDEPENDENCE AND OBJECTIVITY

7.1 Internal Audit shall have independent status within the University and is to be operationally independent from the activities/functions that it audits. Further, Internal Audit:

7.1.1 Shall be responsible to the University's Committee, with access to the Committee as required;

7.1.2 Shall have no Executive or managerial powers, authorities, functions or duties except those relating to the management of the Internal Audit function;

7.1.3 Shall not be involved in the day-to-day operation of accounting, information and control systems, nor in the internal checking system;

7.1.4 Shall not be responsible for the development or implementation of new or changed systems, but may furnish advice on the incorporation of adequate systems controls and provide assurance to management that completed systems will contribute to the achievement of intended corporate objectives; and

7.1.5 Shall ensure staff involved in any internal audit work activities are not placed in a position where any conflict or potential conflict may arise in relation to their fulfilment of their internal audit activities.

7.2 Interference with the independence or objectivity of the Internal Audit function shall be reported to the Chair of the Committee.

7.3 Notwithstanding the requirement for independence in relation to its functioning reporting obligations to the Committee, the Internal Audit function will have an administrative reporting function to the Vice Chancellor, via the Internal Audit Executive, in relation to:

7.3.1 Reporting internal audit resources and annual budget;

7.3.2 Provision of corporate services to internal audit including office accommodation, computers and equipment; and

7.3.3 Human resource administration, including performance evaluations and contracts of employment.

8 ACCESS

8.1 In undertaking its role the Internal Audit function shall:

8.1.1 Have unrestricted access to the Committee with or without Management and unrestricted access to the Vice Chancellor and any Executive of the University; and

8.1.2 Have full, free and unrestricted access at all reasonable times to all systems, information, records, data, personnel, property and assets at the time relevant to the

performance of its activities.

8.2 Every employee of the University shall render their assistance to Internal Audit in carrying out its duties by supplying Internal Audit with information and explanations as deemed necessary.

9 STANDARDS FOR INTERNAL AUDIT FUNCTION

9.1 The Internal Audit function will apply and uphold the principles of integrity, objectivity, confidentiality and professionalism as required by:

9.1.1 The University's Statutes, Code of Conduct and policies and procedures;

9.1.2 The Charter of the Committee; and

9.1.3 International Standards of Professional Practice of Internal Auditing, and Code of Ethics issued by the Institute of Internal Auditors Australia.

10 SCOPE OF WORK

10.1 The Internal Audit function will extend to all of the University's operational areas and their activities, including University controlled entities.

10.2 Internal audit activities may extend to financial, academic, management and administrative areas within the University.

11 INTERNAL AUDIT PROCEDURES

11.1 The University's internal audit procedures are described in related procedural documents:

11.1.1 *Procedure: Delivery of Internal Audit*

11.1.2 *Procedure: Internal Audit Planning*

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

11.1.4 *Procedure: Internal Audit Key Performance Indicators.*

11.2 Ad-hoc reviews may be planned and agreed with management outside of annual Internal Audit Planning cycle, however the delivery and reporting of ad-hoc reviews will follow the same processes detailed in *Procedure: Delivery of Internal Audit*.

11.3 Internal Audit reports will be tabled at Committee meetings as detailed in *Procedure: Delivery of Internal Audit.*

12 REVIEW

12.1 This Charter will be reviewed on an annual basis by the nominated University Executive and reported to the Committee and Vice Chancellor for the purpose of continuous improvement of the Internal Audit function.

Version	Date of approval	Approved by	Amendment
1	20 June 2019	PVC, Strategy and Planning, following endorsement by the Finance, Audit and Risk Committee	Effective date.

2	24 July 2020 6 August 2020	Finance, Audit and Risk Committee Board of Directors	Minor amendments to reflect: Clarification of purpose and responsibility (cl. 5.1.2 and cl. 6.1.12); and New committee name of Audit and Risk Committee (Board of Directors Resolution No. 91/7, 6 August 2020).
3	26 July 2021	Audit & Risk Committee (Resolution No. 6/2)	Minor amendment (clause 6.1.1) to include consideration of risk appetite statement and risk management framework in development of internal audit plans.
4	13 July 2022	Audit & Risk Committee	Minor wording corrections
5	25 August 2023	Board of Directors	Minor administrative amendments to reflect the ARC Charter.
6	13 August 2024	Board of Directors	Minor wording corrections and simplification in view of current Procedures.
7	15 August 2025	Board of Directors	Minor wording corrections and formatting.