INTERNAL AUDIT CHARTER

Introduction
Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. The Office of Internal Audit (OIA) at Georgia Perimeter College (Institution) helps the Institution accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Purpose
The Office of Internal Audit at Georgia Perimeter College exists to support Institution's president and management in the effective discharge of their responsibilities. The OIA provides an independent appraisal of financial, operational, and control activities. The OIA reports on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and compliance with institutional policies and governmental laws and regulations. In addition, the OIA provides analysis, recommendations, counsel, and information concerning the activities reviewed.

Authority
The Georgia Constitution grants to the Board of Regents (BOR) the exclusive right to govern, control, and manage the University System of Georgia (USG). The BOR exercises and fulfills its constitutional obligations, in part, by promulgating rules and policies for the governance of the USG and its constituent units.

BOR Policy Manual Section 7.10.2, Internal Audits, establishes an internal audit function to assist the BOR, the Chancellor and institution presidents in the effective discharge of their responsibilities. This policy requires the Director of Internal Audit at Georgia Perimeter College to report directly to Institution’s president and the Chief Audit Officer (CAO) and Associate Vice Chancellor (AVC) at the BOR.

BOR Business Procedures Manual Section 16.0, Audits, publishes the regulations on audit that provides authorization for auditors in the Office of Internal Audit at Georgia Perimeter College to have full, free, and unrestricted access to all property, personnel and records of the Institution.

Standards
BOR Business Procedures Manual, Section 16.0, requires the Office of Internal Audit at Georgia Perimeter College to adhere to The International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors, Inc. and College and University Business Administration published by the National Association of College and University Business Officers.

Office of Internal Audit
Responsibilities
The Director of Internal Audit is the Chief Audit Officer responsible for the internal audit activity at Institution. The Director of Internal Audit is an Ex-Officio member of Institution President’s Policy Advisory Board and President’s Cabinet. Other responsibilities are the following:

- Perform operational, compliance and internal control reviews.
- Conduct special reviews requested by Institution president and management.
- Communicate results of audits, reviews, investigations and other services both written and orally, in a timely manner to Institution president and management.
- Consult and educate on financial and operational processes, controls, related risks, and exposures.
- Provide guidance and advice on control and risk aspects of new policies, systems, processes, and procedures.
- Submit annual audit plan and audit reports to CAO/AVC at BOR.
- Attend annual meeting with CAO/AVC at BOR to discuss audits, audit findings, and proposed audit schedule.
- Receive direction from CAO/AVC at BOR to audit specific functions at Institution.
- Perform appropriate audit procedures to verify corrective action of all significant and major BOR Internal Audit findings no later than 60 days after the audit report had been issued.
- Be cognizant of third-party audits and all significant or major audit issues and bring those issues to the attention of CAO/AVC at BOR.
- Primary obligation for investigating reported incidents of fraud, waste and abuse at Institution.
- Report suspected fraud incidents to CAO/AVC at BOR.
- Submit written reports on fraud investigations to CAO/AVC at BOR.
- Manage ethics hotline, including assigning ethics hotline incidence reports to departmental investigators.
- Coordinate external audits of Institution, including facilitating management response to reported audit issues.

Scope of Work
The Office of Internal Audit at Georgia Perimeter College uses a variety of audit techniques in its review of Institution operations, programs and resources. These audit techniques are commonly referred to as:

Operational Audits - Examine the use of unit resources to evaluate whether those resources are being used in the most effective and efficient manner to fulfill Institution’s mission and objectives. An operational audit may include elements of the other audit types listed below.

Financial Audits - Focus on accounting and reporting of financial transactions, including commitments, authorizations, and receipt and disbursement of funds. The purpose of this type of audit is to verify that there are sufficient controls over cash and cash-like assets, and that there are adequate process controls over the acquisition and use of resources. Unlike external financial audits, internal financial audits do not prepare or express professional opinions on the fairness of the presentation of financial statements.

Compliance Audits - Review adherence to laws, regulations, policies, and procedures. Examples include federal and state law, BOR policies, and Institution president’s directives. Recommendations typically call for improvements in processes and controls intended to ensure compliance with regulations.

Internal Control Reviews - Focus on the components of Institution and auxiliary business activities. Areas such as payroll and benefits, cash handling, inventory and equipment and their physical security, grants and contracts, and financial reporting are usually subject to review.
**Information Systems (IS) Audits** - Examine the internal control environment of automated information processing systems and how people use those systems. IS audits typically evaluate system input, output, and processing controls; backup and recovery plan; system security; and computer facility reviews. IS auditing projects can focus on existing systems, as well as systems in the development stage.

**Investigations** - Seek to establish evidence of impropriety; imply a systematic track-down of information the auditor hopes to discover or needs to know. Investigations include alleged instances of fraud, waste and abuse, and improper activities.

**Consulting Services** - Add value and improves an organization's governance, risk management, and control processes without the auditor assuming management responsibilities. Consulting services may include counsel, advice, and facilitation.

Approved by:

John M. Fuchko, III  
Chief Audit Officer/Associate Vice Chancellor

Kwabena J. Boakye  
Director of Internal Audit

Dr. Anthony S. Trulli  
President

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