



## Internal Audit Charter

This Charter identifies the purpose, authority, and responsibilities of University of South Florida (USF or University) Office of Internal Audit (IA).

### I. Mission

IA provides independent, objective assurance and advisory services designed to add value and improve the university's operations. IA's mission is to enhance and protect organizational value through risk-based and objective assurance, advice, insight, and foresight and assist the university in achieving its strategic goals by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

### II. Authority

The State University System Florida Board of Governors (BOG) Regulation 4.002 requires, "Each university shall have an office of chief audit executive (CAE) as a point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the operations of the university."

IA reports functionally to the USF Board of Trustees (BOT) and administratively to the President. This reporting relationship ensures the organizational independence and objectivity of the CAE in the performance of their responsibilities in a manner free from actual or perceived impairment. The CAE routinely reports to the BOT significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the President and the BOT. This reporting is done through the BOT Audit & Compliance Committee.

In order to ensure independence, promote comprehensive audit coverage, and assure adequate consideration of IA recommendations:

- IA has full, unrestricted, and timely access to all USF functions, including its direct support organizations (DSOs) and practice plans, activities, records, property, information systems, and personnel, including those records or activities exempt from the Public Records laws, needed to fulfill its responsibilities. Any unresolved restrictions or barriers which restrict the scope or access of IA to information or people necessary to perform its assigned duties will be addressed by the CAE. If such scope and access limitations cannot be remedied by the CAE after working with the BOT and university management, the CAE shall timely notify the BOG through its Office of the Inspector General and Director of Compliance (OIGC) of any such restrictions, barriers, or limitations.
- The CAE is responsible for ensuring confidential records obtained in the course of performing IA activities are adequately secured and are not disclosed without established authority.
- IA has no direct operational responsibility or authority over any of the activities they review. Participation of IA in the planning, development, implementation, or modification

of university systems or processes is limited to an advisory role. This IA role is managed so as to provide independence when conducting future assessments.

- IA staff shall govern themselves by adherence to the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), which is comprised of the Global Internal Audit Standards, Topical Requirements, and Global Guidance, and the Florida Code of Ethics for Public Officers and Employees.

### III. Responsibilities

IA is responsible for coordinating activities that promote accountability, integrity, and efficiency in the operations of USF. This is accomplished through assessing the various functions and control systems of USF, including its DSOs, and for advising management concerning their condition. IA may also provide these services to other entities under the control and direction of USF at the request of management or the BOT.

IA and CAE responsibilities include, but are not limited to, the following activities:

- Developing and submitting an IA Work Plan to the BOT Audit & Compliance Committee and the President for review and approval. Such IA Work Plan development utilizes an appropriate risk-based methodology which takes into consideration risk or control concerns identified by management. The IA Work Plan progress and resource requirements, including significant changes, must be communicated to the BOT Audit & Compliance Committee at least annually.
- Evaluating risk exposures and the adequacy and effectiveness of controls within the governance, operations, and information systems of USF in responding to identified risk exposures. This evaluation of risk exposure and control assessment is performed in the context of the following:
  - Ability of USF to achieve its strategic objectives,
  - Reliability and integrity of financial and operational information,
  - Effectiveness and efficiency of operations and programs,
  - Safeguarding of assets, and
  - Compliance with laws, regulations, policies, procedures, and contracts, including controls designed to enhance and promote accountability.
- Providing audits, advisory services, and compliance oversight based on the following professional frameworks and standards:
  - Mandatory elements of the IIA IPPF, including the Global Internal Audit Standards and Topical Requirements;
  - Information Technology Assurance Framework, published by the Information Systems Audit and Control Association (ISACA); and/or
  - Other professional standards as appropriate for the IA engagement.
- Following up on findings appearing in IA's reports. Such follow-up by IA will determine whether the corrective actions appearing in these reports and assessments have either been effectively implemented or senior management or the BOT have chosen to accept the risk of not taking these corrective actions.
- Providing and issuing reports to the President, BOT Audit & Compliance Committee, and others, as appropriate, on the following:
  - IA work performed and resources utilized;

- Status of internal audit recommendations; and
- Significant unmitigated risks and/or noncompliance.
- Promoting, in collaboration with other appropriate University officials, effective coordination of external audit, review, and investigatory work performed at USF between the University and the State of Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies to facilitate effective, timely completion of these engagements.
- Provide training programs to USF employees and management to assist in improving operational efficiency, effectiveness, and compliance. Such training programs are provided based on IA work performed or as requested.
- Ensure compliance with all BOG reporting requirements as established by BOG Regulation 4.002.

IA is responsible for providing investigative services to all entities and support organizations, including auxiliary facilities and services, DSOs, practice plans, and other component units under the control and direction of USF. The investigatory responsibilities of the CAE include the following:

- Receiving complaints and conducting, supervising, or coordinating activities for the purpose of preventing and detecting fraud and abuse within University programs and operations, including serving as the BOT Audit & Compliance Committee-designated employee responsible for reviewing statutory whistleblower information and coordinating all activities of USF as required under the Florida Whistleblower's Act and ensuring compliance with BOG Regulation 4.001.
- Providing direction for initiating, conducting, supervising, and coordinating audits and investigations, which promote economy, efficiency, and effectiveness in the administration of University programs and operations, that fall within the purview of IA, as appropriate. Investigative assignments shall be performed in accordance with professional standards issued for the State University System, consistent with the Association of Certified Fraud Examiner standards.
- Issuing final investigative reports to the appropriate USF officials, the BOT, and the BOG, which will include recommended corrective actions and reports on the progress made in implementing corrective actions if, in the CAE's judgment, any significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to University programs and operations exist. When provided for by law, such reports shall be redacted to protect confidential, non-public information and the identity of individuals cited in the investigator reports.

To ensure IA has the capabilities to perform the responsibilities and duties described herein, the CAE will:


- Review and make recommendations, as appropriate, concerning policies and regulations related to the University's programs and operations including, but not limited to, auxiliary facilities and services, DSOs, and other component units.
- Establish policies, which articulate steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
- Hire and retain professional staff with sufficient knowledge, skills, experience, and

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- professional certification to fulfill IA's responsibilities and the requirements of this Charter.
- Ensure appropriate training and education designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter is provided to all IA employees in accordance with applicable professional education standards.
  - For specialized or technical engagements, hire consulting experts to effectively perform and complete the engagement and supplement IA's efforts.
  - Coordinate or request audit, financial- and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity.
  - Inform the BOT when contracting for specific instances of audit or investigative assistance.
  - Develop and maintain a quality assurance and improvement program in accordance with professional standards, which includes an external assessment at least once every five years. Such external assessments are presented to the BOT Audit and Compliance Committee and forwarded to the BOG.
  - By September 30<sup>th</sup> of each year, prepare an annual report for distribution to the President, BOT, and BOG which summarizes the following:
    - IA activities for the preceding fiscal year;
    - Plans and resource requirements for the IA office, including significant changes; and
    - Impacts of any resource limitations.
  - Confirm to the BOT the organizational independence of the internal audit function at least annually, including communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.

#### IV. Charter Review and Approval


The Board of Trustees-approved IA Charter shall be reviewed at least every three (3) years for consistency with applicable Board of Governors and USF regulations, professional standards, and best practices. A copy of the approved Charter and any subsequent changes shall be provided to the Board of Governors.

Signed by:  
  
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William Weatherford, USF Board of Trustees  
Chair

Approved on: 12/10/2024

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Rhea Law, USF President

Approved on: 12/10/2024

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Virginia L. Kalil, Chief Audit Executive and  
Executive Director of USF Internal Audit

Approved on: 12/10/2024