

INTERNAL AUDIT CHARTER

Introduction

Internal audit, as defined by the Institute of Internal Auditors, is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

The leadership of California State University, Northridge recognizes the benefit of internal auditing and has adopted the "California State University, Northridge Internal Audit Charter." The charter addresses the objectives, scope, authority and responsibility of Internal Audit.

Objectives

Internal Audit assists University management in assessing risks and evaluating the controls designed to address those risks. Internal Audit furnishes management with analyses, recommendations, counsel and information concerning the activities reviewed. The audit objective includes promoting effective control at reasonable costs.

Scope

The scope of internal audit activity includes examining and evaluating the policies, procedures and systems which are in place to ensure: reliability and integrity of information, compliance with policies, plans, procedures, laws and regulations; safeguarding assets; economical and efficient use of resources; and accomplishment of established objectives and goals for operations or programs. Internal Audit may provide consulting services within the University concerning issues related to internal controls, special investigations, and other areas of interest and concern.

Internal Audit is responsible for coordinating audit planning and scheduling activities with external auditors.

Authority and Responsibility

The responsibility of Internal Audit is to serve the University in a manner that is consistent with the Standards for the Professional Practice of Internal Auditing and with the professional standards of conduct outlined in the Code of Ethics

Internal Audit is authorized to review all records of the University including its Auxiliary Corporations and has full and complete access to all activities, records, property and personnel reasonably necessary to perform the responsibilities of this function. Information obtained during the course of audit activities will be held with appropriate confidentiality. Internal Audit will have no direct responsibility or authority for any of the activities or operations they review. They should not develop and install procedures, prepare records, or engage in activities that would normally be reviewed by internal auditors. Furthermore, an internal audit does not in any way relieve other persons in the University of the responsibilities assigned to them.

Reporting

Results of internal assurance and consulting services are properly communicated to the appropriate management or operating personnel in the form of written reports, consultation, advice, or through other appropriate means. Written reports include management comments itemizing specific actions taken or planned to mitigate identified risks and to ensure that operational objectives are achieved.

Issue Date: October 16, 2002

Approved by: Dr. Jolene Koester, President, California State University, Northridge