

# INTERNAL AUDIT DEPARTMENT

## Internal Audit Charter

Reconfirmed April 2001

### **Policy Statement:**

It is the policy of Rutgers, The State University of New Jersey to establish and support an Internal Audit Department. The Department will assist University management and the Audit Committee of the Board of Governors and Board of Trustees in the effective discharge of their duties and responsibilities. It assists University management accomplish its objectives by bringing a systematic and disciplined approach to evaluating control processes, accounting procedures, and managing risks.

To this end, the Internal Audit Department will furnish management and the Audit Committee with analyses, counsel, information, and recommendations.

### **Authority**

Functionally, the Internal Audit Department reports to the Audit Committee of the Board and, administratively, to the Senior Vice President & Treasurer. In carrying out their duties, members of the Internal Audit Department will have full, free, and unrestricted access to all University activities, records, property, and personnel.

### **Independence**

The Department is an independent, objective assurance and consulting activity designed to add value and improve Rutgers' operations. To preserve the independence of the internal auditing function, it shall have no management or operational responsibilities. The Internal Audit Department accomplishes its mission through varied services and activities.

1. We perform audit, consulting, and other management assurance services to evaluate a unit's internal controls relative to the risks that may impede the unit's mission, goals and objectives. We review the means of safeguarding University assets and, when appropriate, verify the existence of such assets.
2. We report our observations, evaluations, conclusions, and recommendations that result from our work. We forward these to the members of management who have authority and primary responsibility to take corrective actions. These reports are forwarded to the members of the Audit Committee, President, Senior Vice President & Treasurer, and other officers as deemed appropriate by the circumstances.
3. We receive and analyze management's responses to our reports. We evaluate any plans or actions taken to correct reported conditions for satisfactory disposition or mitigation of risk.
4. We follow up with our clients to determine corrective action is planned and taken, and that the actions are effective to eliminate or mitigate related risks.
5. The Director of Internal Audit prepares summary reports of management's action taken or planned on audit recommendations. Such reports are distributed to members of the Audit Committee for review at committee meetings. The approval of the Senior Vice President & Treasurer and/or the President's Cabinet is required whenever management decides to take no, or insufficient, action to lessen the control risk. Management must provide written justification explaining why it will take no action.
6. We participate with the external audit firm in its annual examination of the University's year-end

financial statements. We coordinate with representatives of the external firm and perform requested audit work as agreed upon during planning.

7. We submit annual audit plans to the Senior Vice President & Treasurer and the Audit Committee for their review and approval. After year-end, we summarize the activities of the Internal Audit Department.
8. We offer training workshops to managers and their units covering internal control concepts and applications, and techniques for assessing risks.

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For questions or comments about this site, contact [auditing@rci.rutgers.edu](mailto:auditing@rci.rutgers.edu).

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