

UTS Internal Audit Charter

1. Introduction

The University of Technology Sydney (UTS) maintains an independent and objective Internal Audit (IA) Function in accordance with the Global Internal Audit Standards (the Standards) issued by the Institute of Internal Auditors (IIA).

The UTS Vice-Chancellor (VC) has appointed the Director Internal Audit to perform the role of Chief Audit Executive (CAE), which includes managing and overseeing internal audit activities as outlined in this Charter.

2. Purpose

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the university's operations.

Independent: Independence supports Internal Audit to carry out its responsibilities in an impartial manner whilst applying professional scepticism in their role.

Objective Assurance and Consulting Activity: Assurance involves the unbiased assessment of the design and operating effectiveness of internal controls implemented by UTS to mitigate risk. Consulting involves the provision of advice to help UTS improve operations, risk management, and governance processes.

Add Value and Improve: Internal auditing services are designed to create, protect and sustain value for UTS.

3. Authority

Internal Audit is authorised to have full, free and unrestricted access to all faculties and divisions, premises, assets, personnel records and other documentation and information that is deemed necessary to enable Internal Audit to meet its responsibilities.

Internal Audit is responsible and accountable for maintaining the confidentiality of the information received during the course of its work.

4. Independence and objectivity

To achieve independence and objectivity, Internal Audit:

- must not hold any management duties or authorities;
- must generally not engage in the development or implementation of new systems, processes, frameworks or internal controls;
- through the CAE, reports administratively to the VC; and

- through the CAE, reports functionally to the Audit and Risk Committee (ARC) Chairperson.

Where Internal Audit is required to be involved in the development of systems, processes, frameworks or internal controls, it is prohibited from providing assurance for those same activities. Therefore, additional safeguards are required, including:

1. Outsourcing internal audits to independent and appropriately qualified service providers;
2. Audit scope and service provider contracts being subject to approval by the ARC Chairperson; and
3. Service provider reports being issued directly to the ARC Chairperson.

Where disagreement between the ARC, Senior Management and/or Internal Audit occurs in relation to the Standards, and in line with the expectations of internal audit honesty and professional courage standard, the Director Internal Audit must communicate the impact on internal audit's ability to fulfil its purpose or conform with specific Standards and/or discuss alternatives that may achieve the same outcome. The process is outlined in the Internal Audit Manual.

5. Internal and external review

UTS is committed to the quality of services provided by Internal Audit and completes CAE-led internal assessment annually and an external assessment every 5 years.

6. Roles and responsibilities

Effective internal audit activities require input and support from the:

1. CAE;
2. ARC; and
3. Senior Management.

Each has distinct and important roles and responsibilities relating to the key activities of Internal Audit (see **Appendix A**).

The Internal Audit Manual provides additional detail on the operationalisation of these key activities.

Version history

Version	ARC approval date	Changes	Next review
2.0	May 2023	-	May 2024
3.0	24 September 2024	Updates to align to the new IIA Global Internal Audit Standards	May 2025
4.0	June 2025	Updates to make the Charter simple and easy to understand	May 2026

Appendix A – Roles & Responsibilities

		CAE	VC / SENIOR MANAGEMENT	ARC
Strategic Planning	IA Charter	<ul style="list-style-type: none"> Develop and Maintain [Biennial] 	<ul style="list-style-type: none"> Endorse and Promote [Biennial] 	<ul style="list-style-type: none"> Approve [Biennial]
	IA Strategy	<ul style="list-style-type: none"> Develop and Implement [Annual] 	<ul style="list-style-type: none"> Endorse and Support [Annual] 	<ul style="list-style-type: none"> Approve and Monitor [Annual]
	IA Plan	<ul style="list-style-type: none"> Develop and Execute [Annual] Review and Change Maintain Assurance Map jointly with Risk 	<ul style="list-style-type: none"> Guide and Endorse [Annual] 	<ul style="list-style-type: none"> Approve and Monitor [Annual / Ad hoc]
	IA Reports	<ul style="list-style-type: none"> Consult and Issue Escalate material risk concerns Monitor and Report action status Obtain and Report Audit Feedback Report trends / root causes [Annual] 	<ul style="list-style-type: none"> Review and Comment Agree actions, owners and dates Timely implementation of agreed actions Respond to Audit Feedback Surveys 	<ul style="list-style-type: none"> Note Monitor action closure
Resources	IA Budget	<ul style="list-style-type: none"> Develop and Monitor [Annual] 	<ul style="list-style-type: none"> *Endorse [Annual] 	<ul style="list-style-type: none"> Approve and Monitor [Annual]
	IA Resourcing Plan	<ul style="list-style-type: none"> Develop and Execute [Annual] Maintain IA Service Provider panel 	<ul style="list-style-type: none"> *Endorse [Annual] 	<ul style="list-style-type: none"> Approve and Monitor [Annual]
	IA Resources	<ul style="list-style-type: none"> Develop & Maintain Job Descriptions Recruit, Develop, and Manage 	<ul style="list-style-type: none"> *Endorse CAE Job Description *Approve CAE Appointment / Termination with prior ARC endorsement *Approve roles in resourcing plan 	<ul style="list-style-type: none"> Approve CAE Job Description Endorse CAE Appointment / Termination
Relationships	Conflicts of Interest	<ul style="list-style-type: none"> Declare and Manage 	<ul style="list-style-type: none"> Declare and Manage 	<ul style="list-style-type: none"> Declare and Manage
	Stakeholder Plan for Engagement	<ul style="list-style-type: none"> Develop and Execute Escalate issues 	<ul style="list-style-type: none"> Engage and Share information 	<ul style="list-style-type: none"> Engage
	Audit engagement	<ul style="list-style-type: none"> Communicate IA Process Collaborate on Audit Scopes Hold Opening and Closing meetings Set information / meeting expectations Focus on key risks and controls 	<ul style="list-style-type: none"> Encourage teams to participate in audits Attend audit meetings Provide timely information for audits Provide feedback on audit findings Support engagement issue resolution 	<ul style="list-style-type: none"> Support engagement issue resolution
Performance	Technical Quality	<ul style="list-style-type: none"> Maintain IA Manual Maintain IA Process one-pager Obtain Service Provider Attestations 	<ul style="list-style-type: none"> *Note 	<ul style="list-style-type: none"> Note
	Quality Assurance	<ul style="list-style-type: none"> Conduct Internal Assessment [Annual] 	<ul style="list-style-type: none"> *Note 	<ul style="list-style-type: none"> Arrange External Assessment [5 years]
	Key Performance Indicators (KPIs)	<ul style="list-style-type: none"> Develop IA & Service Provider KPI [Annual] Monitor and Report 	<ul style="list-style-type: none"> *Endorse 	<ul style="list-style-type: none"> Approve and Monitor [Annual / Ad hoc]

* Indicates responsibility of the Vice-Chancellor only (not the University Leadership Team)