INTERNAL AUDIT CHARTER

Virginia State University
Office of Internal Audit

Purpose and Mission

This charter establishes the purpose, authority, and responsibility of the Office of Internal Audit of Virginia State University.

The purpose of the Office of Internal Audit is to provide independent, objective assurance and advisory services, and may perform or coordinate investigations consistent with its mandate. The mission is to improve the University's operations by evaluating and advancing the effectiveness of risk management, control, and governance processes. Internal audit supports university leadership and the Board of Visitors in achieving strategic goals by applying a systematic, disciplined approach in line with the Institute of Internal Auditor's (IIA) Global Internal Audit Standards.

Professional Standards and Guiding Principles

The Office of Internal Audit will operate in compliance with the IIA's 2024 Global Internal Audit Standards, including:

- Purpose of Internal Auditing
- Core Principles for the Professional Practice of Internal Auditing
- The Code of Ethics
- Standards for Conformance
- Interpretation and Guidance where applicable

Internal auditors will also adhere to applicable laws, regulations, university policies, and any relevant higher education or governmental audit requirements.

Authority

The Office of Internal Audit is authorized to:

- Have full, free, and unrestricted access to any university functions, records, systems, property, and personnel as necessary to fulfill its responsibilities.
- Allocate resources, select engagements, determine scope and methodologies, and issue reports without interference.

The Department is not authorized to:

- Perform operational duties.
- Authorize or execute transactions external to Internal Audit.
- Direct activities of employees outside the Office of Internal Audit.

Organizational Independence

To preserve independence:
The Chief Audit Executive (CAE) reports functionally to the Board of Visitors through its Audit and Compliance Committee and administratively to the University President.

The Audit and Compliance Committee shall:

- Approve the internal audit charter.
- Approve the risk-based audit plan and budget.
- Review audit results and follow-up reports.
- Approve the appointment and removal of the CAE.
- Make appropriate inquiries of senior management and the CAE to determine whether any scope or resource limitations are inappropriate.

The CAE will confirm independence annually to the Audit and Compliance Committee and disclose any impairment in fact or appearance. Any scope limitations, resource constraints, or restrictions on access will be communicated promptly to the Board.

Objectivity

Internal auditors will maintain objectivity by:

- Performing duties with impartiality and integrity.
- Avoiding conflicts of interest or any engagement where prior responsibilities may impair objectivity.
- Refraining from assessing operations they were responsible for within the past 12 months.

Scope of Work

Internal audit activities include, but are not limited to:

- Evaluating governance, risk management, and control processes.
- Assessing compliance with laws, policies, procedures, and contracts.
- Reviewing financial and operational reliability and integrity.
- Assessing the safeguarding and efficient use of assets and resources and ensuring assets are acquired economically.
- Performing advisory services with prior agreement, provided they do not impair independence.
- Investigating fraud, waste, and abuse or coordinating such investigations as requested.
- Coordinating with external auditors and regulators as appropriate.
- Reviewing the results of operations and programs to ensure they are consistent with established goals and objectives.

Accountability

The CAE is responsible for:

- Submitting an annual, risk-based audit plan and resource needs to the Audit and Compliance Committee and President.
- Communicating any material changes to the plan or limitations on scope.
- Issuing timely reports with conclusions and recommendations.

- Following up on audit findings and reporting unresolved issues.
- Reporting significant risks and control issues, to include management's responses, to the Audit and Compliance Committee.
- If disagreements arise between Internal Audit and management regarding audit observations, risk assessments, or recommended actions, Internal Audit will make every reasonable effort to resolve the matter directly with management. If resolution cannot be reached, the Chief Audit Executive will escalate the matter to the President and, if necessary, to the Audit and Compliance Committee of the Board of Visitors. All unresolved disagreements will be documented in the final audit communication to ensure transparency with the Board.
- Ensuring the department's conformance with the IIA Standards.

Quality Assurance and Improvement

The Office of Internal Audit will maintain a Quality Assurance and Improvement Program that includes:

- Ongoing internal monitoring.
- Periodic self-assessments.
- External assessments at least every five years by an independent assessor.

Results of quality assessments will be communicated to the Audit and Compliance Committee and President.

Review and Approval

This Charter will be reviewed at least annually by the CAE and presented to the Audit and Compliance Committee for approval to ensure its continued relevance and alignment with the IIA Standards.

Approved this ___ day of _______, 2025

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Chair, Virginia State University Board of Visitors

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Chair, Audit and Compliance Committee

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President, Virginia State University

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Chief Audit Executive