



University of
Southern
Queensland

ASSURANCE CHARTER

University of Southern Queensland

Trim Location	
Responsible Officer	Director (Assurance Services)
Approval Date	10/10/2022
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1. Introduction

Assurance Services is a key component of the University of Southern Queensland's governance framework.

This Assurance Charter provides a framework for the conduct of Assurance Services (internal audit) at the University of Southern Queensland (UniSQ). It is approved by Council on advice of the Audit and Risk Committee. This document should be read in conjunction with the Audit and Risk Committee [Terms of Reference](#).

2. Purpose

Assurance Services provides independent, objective assurance and consulting services to add value to the University's operations. It provides a systematic, disciplined approach to provide independent evaluation, analysis, appraisals, recommendations, counsel, and information on the University's systems of internal control, risk and compliance management effectiveness, and operational efficiency.

3. Authority

The establishment of the Assurance function and conduct of its work will comply with relevant sections of the:

- *Financial Accountability Act 2009*
- *Financial and Performance Management Standard 2009*
- Financial Accountability Handbook.

Assurance Services, with strict accountability for confidentiality of records and information in compliance with applicable legislative requirements, is authorised for approved Internal Audit engagements to:

- Full, free, and unrestricted access to all relevant functions, records, property, personnel, and other documentation
- Full and free access to the Chancellor, Vice-Chancellor (University Executive), the Chair and members of the Audit and Risk Committee
- Meet with the Audit and Risk Committee Chair without management permission or attendance
- Allocate resources, set frequencies, subjects, determine scope of work, and apply techniques required to accomplish audit objectives for the approval of the Audit and Risk Committee
- Obtain necessary assistance of UniSQ personnel (who are required to assist Internal Audit in fulfilling its duties), as well as other specialised services from within or outside UniSQ including a co-sourced contractor.

4. Independence and Objectivity

To provide for the independence¹ and objectivity² of the assurance function, Assurance Services will report to the Audit and Risk Committee, including a periodic report on resourcing.

Objectivity will be presumed to have been impaired if an assurance review is to be performed on an activity where an internal auditor held any authority or responsibility for a period significant enough to influence judgement or opinion. To maintain objectivity, the professional services partner (co-sourced arrangement) will conduct any required engagement.

Where the Director (Assurance Services) is responsible for non-audit functions then the following safeguards will be applied:

- The Director (Assurance Services) is not performing audit duties when managing or performing these activities; and
- A review of these non-audit activities must be managed and performed independently of the Director (Assurance Services) and reported direct to the Audit and Risk Committee.

Assurance Services does not determine the University's risk appetite, decide on risk responses, or engage in management decisions within the enterprise, ensuring management remains responsible and accountable for the identification, assessment and treatment of risk and management of controls. A review or appraisal by Assurance Services does not relieve management of its responsibilities and accountabilities.

Assurance Services has no direct authority or responsibility for activities it reviews and has no responsibility for developing or implementing procedures or systems and does not perform in-line management functions.

The Director (Assurance Services) reports functionally to the Audit and Risk Committee and administratively to the Deputy Vice-Chancellor (Enterprise Services).

5. Conflict of Interest

A conflict of interest is a situation where a member of Assurance Services (including co-sourced partners) is in a position of trust and has a competing professional or personal interest; real or perceived as part of fulfilling their duties. Where a member of Assurance Services besides the director has a conflict of interest this will be reported to the director and will be managed in accordance with the University Conflict of Interest Policy.

¹ Independence is freedom from conditions that threaten the ability of internal audit activity or the chief audit executive to carry out internal audit responsibilities in an unbiased manner (Source: Institute of Internal Auditors, Standard 1100 Independence and Objectivity, http://iia.org.au/sf_docs/default-source/quality/ippf-standards-2017.pdf?sfvrsn=2 January 2017).

² Objectivity is an unbiased mental attitude allowing internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made (Source: Institute of Internal Auditors, Standard 1100 Independence and Objectivity, http://iia.org.au/sf_docs/default-source/quality/ippf-standards-2017.pdf?sfvrsn=2 January 2017).

Where the Director (Assurance Services) has a conflict of interest then this needs to be avoided where possible by not accepting an engagement, performing an activity, and disclosed in accordance with the University Conflict of Interest Policy. The Director (Assurance Services) must disclose the conflict to the Chair of Audit and Risk Committee, and subsequently to the Committee. Processes will be implemented, and the Deputy Vice-Chancellor (Enterprise Services) will oversee the administrative arrangements. Appropriate actions will be initiated to address or manage any conflict of interest.

All members of Assurance Services will complete an annual code of ethics and conflict of interest declaration with their annual performance review.

6. Confidentiality

All records, documentation and information accessed in the course of undertaking Assurance activities are to be used solely for the conduct of these activities. The Director (Assurance Services) and individual audit staff (including co-sourced partners) are responsible and accountable for maintaining the confidentiality of the information they receive.

Under legislation, the Queensland Audit Office has access to all relevant University of Southern Queensland documents including internal audit, compliance and risk reports and working papers.

7. Roles and responsibilities

The Director (Assurance Services) is responsible for the management of the internal audit function, and for ensuring assurance activities are conducted in compliance with this Charter and the International Professional Practices Framework (IPPF).

Internal audit comprises two types of activities, the first is assurance involving the internal auditor's objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process, system, or other subject matter. The second is consulting which are advisory in nature and are generally performed at the specific request of an engagement client.

In the conduct of its activities, Assurance Services will play an active role in:

- Developing and maintaining a culture of accountability, integrity and adherence to high ethical standards
- Promoting the integration of risk management into day-to-day business activities and processes
- Promoting a culture of control-consciousness and self-assessment
- Advice regarding governance, risk management and control issues and report inadequately addressed risks and non-effective control processes to management and/or the Audit and Risk Committee. Reporting will be escalated to a level consistent with the assessment of the risk.

Assurance Services activities include:

a) Assurance activities

Include audits with the following orientation:

Internal audit activities

- Develop flexible annual and strategic audit plans using an appropriate risk-based methodology, including risks or control concerns identified by management, and submit the plans to the Audit and Risk Committee for review and approval.
- Implement the approved annual audit plan including, special tasks or projects requested by management and the Audit and Risk Committee.
- Supply professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Establish a quality assurance and improvement program to assure internal audit activities.
- Coordinate consulting services, to assist management in meeting its objectives (e.g. facilitation, advice on process design, training, and advisory services).
- Evaluation of significant changes to operations and control processes coincident with their development, implementation, and/or expansion.
- Coordinate management responses to internal audit reports.
- Follow up implementation of outstanding audit recommendations and report results to the Audit and Risk Committee.
- Issue periodic reports to the Audit and Risk Committee and management summarizing results of audit activities.
- Inform the Audit and Risk Committee of emerging trends and successful practices in internal auditing, risk, or financial management.
- Assist in the investigation of significant suspected fraudulent activities within the University, notifying management and the Audit and Risk Committee of the results.

Compliance

- Compliance with legislative requirements, Australian Government (Federal and State) and University of Southern Queensland policies and procedures, including grant acquittals (where authorised).
- Adequacy and effectiveness of internal controls, including information technology system controls relating to finance, operations, information technology systems and information security.
- Ethical conduct of the University and its employees, contractors and agents.
- Safeguarding, recording, control and use of assets.

Performance improvement

- Evaluate the economy, efficiency and effectiveness of the University's academic and business systems and processes.

- Review operations to ascertain whether results are consistent with University objectives and are carried out as planned.

b) Advisory services

Advise management on:

New programs, systems and processes

- Providing advice on the development of new programs and processes and/or significant changes to existing programs and processes, including the design of appropriate controls.
- Recommend operating improvements.

Risk management

- Facilitate identification of risks, risk mitigation and monitoring strategies by management as part of the enterprise risk management framework.

The Divisional Heads are responsible for identifying and managing risk. University Council ensures that risks are identified, understood and managed to an acceptable level. Assurance Services has an understanding of the University's strategies and associated risks and how these risks are being managed.

Fraud control

- Assist management to identify fraud risks and develop prevention and monitoring strategies.

Investigation

- Conduct special assignments and investigations as requested by the Audit and Risk Committee, Vice-Chancellor, or Public Interest Disclosure Coordinator.

8. Competency and Standards

The Institute of Internal Auditors (IIA) provides guidance on *ethics* by way of a formal Code of Ethics which is mandatory for all members of the IIA and all Certified Internal Auditors. Under this code³, internal auditors are expected to apply and uphold the principles of integrity, objectivity, confidentiality and competency.

Internal audit activities will conform to the Institute of Internal Auditors International Professional Practices Framework and Standards as well as Core Principles for the Professional Practice of Internal Auditing.

The Director (Assurance Services) will ensure internal auditors:

- Adhere to audit policies, standards, procedures, tools, and techniques used to achieve consistent and effective internal auditing services
- comply with professional standards of ethical conduct

³ <https://www.iiia.org.au/technical-resources/professionalGuidance/codeOfEthics.aspx>

- possess the appropriate qualifications, skills, and experience essential to internal audits
- are skilled in dealing with people and communicating audit issues effectively
- maintain technical competence through continuing professional development
- exercise due professional care in performing audits
- are subject to the department's individual Performance Development Planning process ensuring a high level of knowledge and skills.

Membership of relevant professional body such as the Institute of Internal Auditors is encouraged for Internal Audit staff.

Any outsourced Internal Audit service provider will receive feedback from the Director (Assurance Services) and other key stakeholders at USQ informally throughout the year and formally at least annually.

9. Resource arrangements

The Director (Assurance Services) must ensure resources are appropriate and effectively deployed to execute the Internal Audit strategy and plan.

UniSQ has adopted a co-sourced model involving professional internal and external resources through a partnership arrangement for the delivery of its Internal Audit plan.

A collaborative approach is managed by the Director (Assurance Services) to ensure the Assurance function delivers value protection and enhancement opportunities for the University.

10. Relationship with external audit and other assurance activities

Assurance Services will establish an open relationship with the External Auditor and other assurance providers, and plan its activity to help ensure the adequacy of overall audit coverage and to minimise duplication of effort.

External auditors have full and free access to all internal audit strategies, plans, working papers and reports. It is the responsibility of the external auditors to determine the extent to which they can rely on such documentation.

11. Internal audit planning

The extent and frequency of internal audit reviews is recommended by the Director (Assurance Services) in consultation with management and approved by the Audit and Risk Committee based on an assessment of the risks to the achievement of the University's objectives.

The Director (Assurance Services) will prepare, for the Audit and Risk Committee's approval, an assurance strategy (three-year plan) and an internal audit work plan (annual) in a form and in accordance with the Audit and Risk Committee's work plan.

The Director (Assurance Services) will communicate the impact of resource limitations and any significant changes in the strategy and plan to the Audit and Risk Committee.

12. Reporting to the Audit and Risk Committee

The Director (Assurance Services) will report to each meeting of the Audit and Risk Committee on:

- Audits completed
- Progress in implementing the assurance strategy and annual work plan
- The status of the implementation of agreed internal and external audit and other relevant external assurance body recommendations.

The Director (Assurance Services) will also report to the Audit and Risk Committee at least annually on the state of internal controls and compliance in the University and any systemic issues requiring management attention, based on the work of Assurance Services and other assurance providers.

13. Administrative arrangements

The Director (Assurance Services) will be selected through the University's People Portfolio employee appointment process. The Vice-Chancellor and the Chair of the Audit and Risk Committee, or their nominee, will form part of the selection committee. The Audit and Risk Committee must approve the appointment and any substantive changes to the position. Any proposed termination of the employment of the Director (Assurance Services) by the University also requires the approval of the Audit and Risk Committee.

The Director (Assurance Services) through the University's procurement process shall instigate appointment of an external service provider under a co-sourced arrangement. The Chair of the Audit and Risk Committee and the Vice-Chancellor (or their nominee) shall each be represented on the selection committee.

14. Quality assurance

The Director (Assurance Services) will undertake ongoing quality assurance of internal audit, including engagement, supervision and performance management of staff and the professional services partnership arrangement.

A process has been established to undertake periodic internal assessment of activity, such as client satisfaction surveys, assessment against standards and peer review of working papers.

As part of a comprehensive quality assurance program, the Director (Assurance Services) will arrange for a periodic independent external review of the efficiency and effectiveness of the operations of the internal audit function at least every five years.

The results of the quality assurance program, in particular, the external review, will be reported to the Audit and Risk Committee.

15. Review of the Charter

The Audit and Risk Committee will review the Assurance Charter every two years and will endorse any substantive changes to Council for approval.

16. Glossary

Advisory Activity	Client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility.
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes.
Assurance Services	The department within the University of Southern Queensland which provides Internal Audit and Advisory Services to the Audit and Risk Committee in accordance with the Assurance Charter.
Chief Audit Executive	The role of a person in a senior position (Director Assurance Services) responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The chief audit executive or others reporting to the chief audit executive will have appropriate professional certifications and qualifications.
Internal Audit	Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

17. Modification History

Date	Source	Details
10.10.2022	Council	Brand update, change to Human Resources department name and minor edits.
13.12.2021	Council	Revised to reflect changes to Assurance Services responsibilities and to include a glossary of relevant terms (endorsed by Audit and Risk Committee, 18/11/2021)
15.06.2021	Council	Revised to incorporate improvements following the Institute of Internal Auditors External Quality review.
26.10.2020	Council	Revised as part of annual review (renamed to Assurance Charter to reflect new Assurance Services structure and responsibilities; updated to reflect 2017 IPPF Framework) (endorsed by Audit and Risk Committee, 01/10/2020)
08.07.2019	Council	Revised Internal Audit Charter as part of annual review (endorsed by Audit and Risk Committee, 13/06/2019).
11.09.2017	Council	Revised Internal Audit Charter as part of annual review and following changes in the International Standards for Professional Practice of Internal Auditing (endorsed by Audit and Risk Committee, 17/08/2017).
11.07.2016	Council	Revised Internal Audit Charter as part of annual review (endorsed by Audit and Risk Committee, 16/06/16).
24.09.2015	Audit and Risk Committee	Approved minor amendments to Internal Audit Charter (to include definition of Internal Audit and reference to Code of Ethics).
06.07.2015	Council	Noted annual review of Internal Audit Charter and minor amendments approved via Audit and Risk Committee, 11/06/2015.
13.05.2015	VC/SBMI	Revised Internal Audit Charter as part of annual review.
16.05.2014	Council	Revised Internal Audit Charter.
22.10.2012	Council	Revised Internal Audit Charter.

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