

Florida State University
Office of Inspector General Services
Audit Charter

1. Introduction

The Office of Inspector General Services (OIGS) provides professional internal audit and investigative services at Florida State University.

1.1 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve University operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

1.2 Investigations are performed to address alleged fraud, waste, abuse or other wrongdoing, which could result in the loss or misuse of University resources. Such wrongdoing may come to the attention of the Office during an audit or investigation or through reporting by University faculty, staff, students, or the general public.

2. Authority for the Office

The Florida State University President and Board of Trustees (BOT) initially approved a charter for the Office of Audit Services in September 2003. Subsequently, in November 2012, the President approved changing the name from the Office of Audit Services to the Office of Inspector General Services (OIGS). In June 2017, the Board of Trustees approved the establishment of an Audit and Compliance Committee that provides oversight of the OIGS.

3. Vision

The OIGS vision is to be an exemplary professional audit and investigative organization that adds value, promotes accountability, fosters transparency and understanding, and to be viewed by the University as essential to the proper functioning of University controls and operations.

4. Mission

The OIGS mission is to provide an independent, objective, and comprehensive program of auditing and investigations; to advance accountability through the provision of assurance and consulting services and investigations; and to actively work with University Boards and Committees, management, faculty, and staff in identifying risks, evaluating controls, and making recommendations that promote economical, efficient, effective, equitable, and ethical delivery of services.

5. Organization

5.1 The OIGS, headed by the Chief Audit Officer (CAO), provides a central point in the University for coordinating and carrying out activities that promote accountability, integrity, and objectivity.

5.2 The Chair of the Audit and Compliance Committee of the BOT works in concert with the University President prior to any action to hire or terminate the CAO.

5.3 The Chief Audit Officer will report directly and administratively to the University President, functionally to the Audit and Compliance Committee Chair, and he/she shall have unrestricted access to the Board of Trustees.

5.4 The Board of Trustees, or as delegated to the Audit and Compliance Committee by the Board Chair, will:

- a. Approve the charter of the OIGS;
- b. Review the charter at least every three (3) years for consistency with applicable law, Board of Governors (BOG), and University regulations and policies, professional standards, and best practices;
- c. Approve the risk-based annual OIGS workplan;
- d. Receive communications from the CAO on performance relative to the audit plan and other significant matters coming to the attention of the CAO during the year;
- e. Provide to the President, through the Chair, an annual assessment of the performance of the Chief Audit Officer; and
- f. Make appropriate inquiries of management and the CAO to determine the existence of scope or resource limitations.

5.5 Any allegations related to wrongdoing by the CAO shall be reported to the Board of Governors, University President, Chair of the BOT, and Chair of the BOT Audit and Compliance Committee for their review and disposition.

6. Code of Ethics

6.1 All OIGS staff shall abide by the *Florida Code of Ethics for Public Officers and Employees* as provided for in Florida Law, any additional code of ethics or conflict of interest policy of the University, and the Code of Ethics issued by The Institute of Internal Auditors and the Association of Inspectors General.

7. Independence and Objectivity

7.1 To permit independence and objectivity in mental attitude and appearance, the OIGS will remain free from interference from any element in the University to include matters of topic selection, scope, procedures, frequency, timing, report content, and report issuance. The OIGS will have no direct authority or responsibility over any of the activities it reviews. The OIGS will

not implement internal controls, develop and write policies or procedure, design or install systems, or engage in any activity that may impair independence or objectivity.

7.2 The OIGS may review management initiated initiatives and provide advice and counsel to University departments. Management assistance activities that the OIGS may perform shall meet professional auditing standards and shall result in management accepting responsibility for actions taken in response to accepted recommendations.

7.3 OIGS staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activities or processes being examined.

7.4 OIGS staff will make a balanced assessment of all relevant circumstances and not be unduly influenced by their own interests, or those of others, in forming conclusions on engagement results.

8. Authority and Access to Records

8.1 The OIGS provides audit and investigative services to all entities of Florida State University, including schools, colleges, departments, auxiliary enterprises, and Direct Support Organizations (DSOs). Accordingly, the OIGS is authorized to:

- a. Have unlimited and unrestricted access to all data, books, records, files, property, information systems, and personnel of Florida State University and its DSOs and component units as deemed necessary to carry out duties and responsibilities;
- b. Have “right-to- access” language in all University contracts that allow OIGS access to contractor records supporting amounts due or received, amounts paid or owed, or documentation supporting work products prepared for any University entity;
- c. Allocate resources, establish schedules, select subjects, determine scopes of work, and apply techniques required to accomplish objectives; and
- d. Obtain essential assistance and cooperation of personnel in areas of the University where audits and investigations are performed.

9. Standards and Professionalism

9.1 Audit and compliance activities will be governed by adherence to The Institute of Internal Auditor’s Professional Practices Framework, which is composed of the Core Principles, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. *Other professional auditing standards may be followed, as applicable to the audit engagement.*

9.2 Investigative services will be governed by adherence to *Principles and Standards for Offices of Inspector General* issued by the Association of Inspectors General and *Standards for Complaint Handling and Investigations for the State University System of Florida.*

9.3 The OIGs will adhere to and be guided by applicable Florida law, as well as State University System Board of Governors, Florida State University Board of Trustees, and University regulations, policies, and procedures.

10. Scope of Work

10.1 The OIGs' scope of internal audit and investigative work will include all University colleges, schools, departments, auxiliaries, DSOs and component units. The scope of work will help to ensure that significant:

- a. Risks are appropriately identified and managed;
- b. Assets and resources are properly controlled and safeguarded;
- c. Financial and operational information is accurate and reliable;
- d. State and federal laws, rules, and regulations are complied with; and
- e. Programs and operations are efficient and effective.

10.2 The scope of internal auditing work encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the University's risk management, control, and governance processes.

10.3 All such work shall be performed with the overarching understanding that establishment of adequate risk management, controls, and governance processes and monitoring thereof are a management responsibility.

11. Duties and Responsibilities

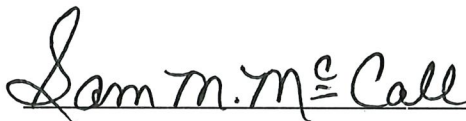
11.1 Responsibilities of the OIGs and the CAO:

- a. Develop an internal audit workplan based on a prioritization of the audit universe using a risk-based methodology, including input from the BOT, University President, and senior management.
- b. The CAO will review and adjust the plan as necessary in response to changes in the University's activities, risks, operations, programs, systems, and controls. Any significant deviation from the approved audit workplan will be discussed with the BOT Audit Committee and communicated, as appropriate, to the President and BOT.
- c. Provide the approved workplan to appropriate University management and the BOG's Office of Inspector General.
- d. Include in the annual workplan a schedule of planned audit and investigative hours to be applied for the year. The workplan will be revised as needed to meet the requests and needs of the President, Board of Trustees, and the University.
- e. In preparing the annual work plan consider and identify long-range audit topics as well as audit and investigative resource needs of the OIGs. The CAO will communicate the impact of resource limitations and significant interim changes to the BOT Audit and Compliance Committee.

- f. Perform assurance and consulting engagements and investigations in accordance with the annual workplan taking into consideration any special tasks or projects requested by University management and the BOT Audit and Compliance Committee.
- g. For each audit prepare and distribute a final draft report to the person(s) responsible for supervision of the program function or operational unit who shall respond to the identified issues and recommendations within 20 working days. Such response shall include management's overall comments about the audit and proposed actions to address issues and recommendations, the person(s) directly responsible for addressing the identified issues, and a target date for estimated completion.
- h. For each audit prepare and timely issue a final written audit report to the BOT, President, BOG, other Boards and Committees, the Auditor General, and senior management most responsible for the program, activity, or function audited. The final report will include management's overall response and proposed actions to address issues identified and related recommendations. As needed and appropriate in the circumstances, any CAO rebuttal or clarifications to management's response shall be included in the final written audit report or otherwise made available.
- i. Maintain confidentiality of all audit working papers and notes related to an audit, and all information received, produced, or derived from an investigation, until such time as a final audit or investigative report is issued in accordance with applicable law.
- j. Review management's follow-up activities intended to address observations or recommendations of external audit or regulatory agencies to include any reports issued by the Auditor General, the Office of Program Policy and Government Accountability, a federal audit organization or its subcontractors, DSO external auditors, or others. All significant findings will remain as open issues until cleared.
- k. Conduct follow-up activities for OIGS issued audits at least every six months. As warranted by the specific issues, follow-up activities may occur at any time to protect University financial and program operations.
- l. Report the results of any investigation performed in accordance with OIGS policies and procedures.
- m. Periodically report in writing and verbally upon request to the BOT, President, and senior management on OIGS activities as well as its performance relative to: its workplan; significant risk exposures and control issues, including fraud/abuse, risk, and governance issues; and other matters as needed or requested.
- n. Report at every Board of Trustees Audit and Compliance Committee meeting or at other times, depending on whether there are significance issues of which the Committee should be made aware for their information, discussion, direction, and/or disposition.
- o. Hire and retain professional staff with sufficient knowledge, skills, and experience, and professional certifications to fulfill the responsibilities of the OIGS, and ensure

- appropriate and required training and education is provided to staff in accordance with applicable professional education standards.
- p. Maintain a quality assurance and improvement program that meets the requirements of standards followed. The CAO will communicate to senior management, the BOT, and BOG on the quality assurance and improvement program to include the results of any external quality control review conducted in accordance with the time requirements of the applicable audit and investigative standards followed.
 - q. Investigate allegations of suspected abuse/fraudulent activities within the University and provide to the BOG, Auditor General, University management and the BOT Audit and Compliance Committee investigative reports issued.
 - r. Address allegations of waste, fraud, or financial mismanagement. The CAO will use professional judgment in assessing materiality such that it would be appropriate to inform the BOG Office of Inspector General and Director of Compliance of such allegations. Significant and credible allegations shall be addressed to meet the requirements of BOG Regulation 4.001.
 - s. Investigate complaints received under the State Whistle-blowers Act pursuant to sections 112.3187-112.31895, Florida Statutes, as applicable.
 - t. Report allegations received by the OIGS that the CAO has reason to believe involve potential violations of criminal law to the University Police, other law enforcement agencies, and other responsible state or federal agencies, as appropriate.
 - u. Report information received of known or suspected child abuse, abandonment, or neglect committed on the property of the University or during an event or function sponsored by the University to the Florida Department of Children and Families.
 - v. Assist University Police and other law enforcement organizations with criminal financial and other investigations as requested.
 - w. Maintain a reporting system that includes mechanisms available for anonymity or confidentiality, whereby University employees and agents may report or seek guidance regarding significant abuse, fraud, or criminal conduct, without fear of retaliation. In cases where a component of the reporting system is managed by another operational unit, the CAO shall have access to reported information.
 - x. Work cooperatively with the University Compliance and Ethics Officer in the determination of issues that can be addressed most appropriately and efficiently jointly, or by one Office or the other.
 - y. Provide training to the University community on internal control, risks management, fraud, abuse, administrative investigations, and other matters for which the OIGS has expertise.
 - z. Maintain a proper balance of audits, investigations, and other accountability activities, with a view toward avoiding any duplication of effort with external auditors.

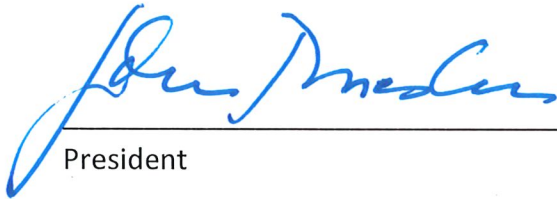
- aa. Coordinate and cooperate with external auditors and regulators, and consider the scope of their work for the purpose of providing optimal audit coverage to the University at reasonable costs.
- bb. Review all DSO financial statements and the related external audit reports issued for completeness and compliance with applicable Generally Accepted Accounting Principles, Generally Accepted Government Auditing Standards, and applicable laws, rules, and regulations.
- cc. Assist and provide technical advice and support to the BOT Audit and Compliance Committee in its selection of any external auditors/consultants to perform work within the University.
- dd. The OIGS will have primary responsibility for implementing, coordinating, and managing contracts involving external financial, performance, or compliance audits. The OIGS will assist and provide technical advice and support to the BOT Audit and Compliance Committee in its oversight of DSOs that select external auditors/consultants to perform work for them.
- ee. Distribute to the Board of Governors, Board of Trustees, University President, and senior management an Annual Report that describes the OIGS accomplishments and significant audits and investigations conducted during the preceding year. The report shall be issued by September 30 following the end of each fiscal year.



Chief Audit Officer

6-6-2019

Date



President

2/14/2020

Date



Audit and Compliance Committee Chair

6-6-2019

Date

History: 9-2013; revised: 8-18-2010; 11-19-2012; 3-4-2016; 6-7-2018; 6-6-2019.

Note: Charter not changed but reaffirmed: 2-21-17

