

1. INTERNAL AUDIT CHARTER (PDF)

The Internal Audit Charter spells out the purpose, authority, and responsibility of the Internal Audit function at the University of Swaziland. The Charter also provides a basis for evaluating the operations of the function and acts as a formal written agreement with management and the University Council about the role and responsibility of the Internal Audit within the University.

1. Objective and purpose

The Council of the University of Swaziland (“University”) in seeking to ensure effective Corporate Governance and adoption of world best practice has established an Audit Committee to enhance the overall effectiveness of internal control at University. The Audit Committee in the discharge of its responsibilities has established an Internal Audit function.

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

- ◆ University assets are safeguarded
- ◆ Information given to management is accurate, timely and reliable
- ◆ University policies and procedures adopted by management, and external laws and regulations are complied with.
- ◆ Resources are used efficiently and economically
- ◆ Operations and programs are being carried out as planned and results are consistent with the University’s objectives.

The aim of the Internal Audit is to assist management at all levels with information about the establishments and maintenance of adequate internal control over all activities and to ensure that these activities can be carried out efficiently and effectively.

Internal Audit assists management of the University to meet its responsibilities effectively by evaluating financial, managerial and operating information, making recommendations for improvement of systems and procedures, and providing other information aimed at promoting effective control by reducing risk at a reasonable cost.

Internal Audit expresses an independent opinion on the measures that Management and the Council have taken regarding internal control. Internal

audit will form an opinion on whether internal control measures are sufficient for the University's needs and whether such measures work effectively.

Internal Audit considers risks in general, monitors the University's activities on the terrain of risk management, and makes recommendations to the Vice Chancellor and the Audit Committee to reduce or eliminate the risk.

2. Role and responsibility of the Internal Audit function.

In fulfilling their responsibilities, internal audit shall have the responsibility;

- ◆ To develop a flexible risk based annual audit schedule and obtain inputs and approval from the Vice Chancellor, Executive Management and the Audit committee.
- ◆ To plan and perform audits and reviews as noted on the audit schedule.
- ◆ To perform special administrative requests, special projects, investigations due to allegations of fraud, theft, waste, abuse etc as requested by management and recommend control improvement.
- ◆ To provide internal audit recommendations to management for improvements to the system of risk management, internal control processes, and governance processes.
- ◆ To prepare written internal audit reports on the results of the audit engagement to the Vice Chancellor and the Audit Committee and evaluate the University's plans or actions to correct reported concerns.
- ◆ To report all internal audit findings to the appropriate level of management and Audit Committee.
- ◆ To perform internal operational and/or financial audit of programs, services, departments and accounts that come under the budget authority of the University.
- ◆ To proactively consult with the University departments, units, sections and committees to provide internal control consideration

- ◆ To coordinate Internal Audit services with the external auditors and other outside auditing firms to seek to avoid redundancies and maximum coverage in the audit effort.
- ◆ To maintain appropriate professional development to ensure that internal audit staff has the skills and abilities to perform internal audit assignments.
- ◆ To keep the Audit Committee and management aware of emerging trends regarding internal controls, risk management, governance, and internal auditing.
- ◆ To strive to comply with the International Standards on the Professional Practice of Internal Auditing.

3. Types of Audit services offered by Internal Audit

- ◆ *Regular audits* – these are usually schedule as part of our annual schedule, but may come up during the year.
- ◆ *Follow up audits* – these are usually scheduled as part of our annual schedule. The International Standards for the Professional Practice of Internal Auditing require follow up work.
- ◆ *Consultations reviews* – these are requests from interested parties. Requests can be schedule as part of our annual audit schedule or come up during the year.
- ◆ *Special investigations* – these come up during the year when interested parties contact the Internal Auditor where irregularities or inappropriate conduct is identified.
- ◆ *Requests for advice* – these come up during the year when interested parties contact the Internal Auditor with questions or for advice.

A risk based annual audit schedule is created each year which allows for contingencies that develop during the year. Audit services are coordinated with external auditors and other auditing firms to reduce duplication of audit efforts and increase audit coverage of the University.

4. Authority

Internal Audit is authorised to;

- ◆ Have full, complete and unrestricted access to all functions, records (whether written or electronic), physical facilities and personnel.
- ◆ Have a full and free access to the Audit Committee and its chairperson.
- ◆ Allocate resources, set frequencies, select subjects, determine scopes of work, and apply techniques required to accomplish work.
- ◆ Obtain necessary assistance of personnel in departments of the University where audits are performed, as well as other specialised services from within or outside the University.
- ◆ To confiscate records if an employee of the University prohibits access to any records, which are required by Internal Audit for its activities

Internal Audit must carryout its audit function freely without being hindered, and without interference of officials in-order to do an independent and objective audit of the University and report to management and the Audit Committee.

Documents and information handed over or provided to internal auditors during an audit are handled with the same care as would normally be displayed by the employees who are actually responsible for it.

Internal audit staff members need to be, and be seen to be independent in the activities that they check.

In-order to avoid responsibility of operational systems, the internal audit staff members have no direct responsibility for, nor authority over, any of the activities reviewed.

Recommendations by Internal Audit are implemented by departments that perform the activities.

Internal audit is authorised to perform special investigations including forensic services or to contract special services out to consultants after consultation with the Vice Chancellor.

5. Scope of Activities

The scope of the Internal Audit in financial and non-financial activities of the University includes academic and support service departments, sections and units.

The scope of the Internal Audit work will be conducted in accordance with the Institute Of Internal Auditors' Standards for the Professional Practice of Internal Auditing. These include the following;

- ◆ Evaluating the reliability and integrity of financial and non-financial information.
- ◆ Evaluating internal controls systems established by the University to ensure that policies, plans, procedures, laws and regulations are complied with.
- ◆ To determine whether sufficient controls exist for securing assets, and to verify the existence of the assets where necessary.
- ◆ Evaluating the effectiveness and efficiency with which administrative procedures are carried out.
- ◆ Determining whether the University's activities and processes are completed in accordance with set targets and whether activities were performed as previously planned.

The extent and frequency of internal audits will depend upon varying circumstances such as results of previous audits, relative risks associated with activities, materiality, the adequacy of the system of internal control, and resources available to the Internal Audit department.

6. Internal Audit reports

Audit reports will normally explain the scope and objectives of the audit, present findings, and conclusions in an objective and manner relevant to the specific user's needs and make recommendations where appropriate.

Prior to the creation of a draft report, the results of the audit are communicated to the appropriate, designated members of management. The Internal Auditor creates written audit reports at the conclusion of the field work. The reports are submitted in draft form, first to the Vice Chancellor and appropriate management and the department under review. The Internal Auditor will meet the appropriate individuals to discuss the draft report.

Final draft audit reports are issued which request written responses from the area under review. Written responses shall include corrective action plans directed towards addressing each of the recommendations in the final audit report.

Management responses are incorporated into the final audit report which is distributed according to policy.

7. Relations with independent external auditors

The University appoints independent firm of accountants to audit the financial statements of the University and render other special services.

The objectives of the internal audit differ from the above and focus on the adequacy and effectiveness of systems and the correctness of management reports rather than certifying financial statements. As the work of the two groups overlaps in certain aspects, Internal Audit coordinates its activities with those of the University's independent external auditors to ensure that maximum audit cover is achieved at minimum cost.

8. Audit Committee

The Audit Committee acts on behalf of Council on audit related matters and advice both Council and the Vice Chancellor. The Committee reports to the University Council in connection with the oversight of the independent appraisal activities performed through the audit function to ensure efficiency, effectiveness and economy of operations of the University of Swaziland.

The Internal audit function reports directly to the Audit Committee of Council. All reports of the Internal Audit function are provided to the Audit Committee by the Internal Auditor.

9. Organisation and the resources of the Internal Audit function.

The Internal Auditor is responsible for the overall operation and the management of the Internal Audit function and oversight of its efficiency, effectiveness, and economy.

Internal Audit staff is expected to abide by the Institute of Internal Auditors Inc' Code of Ethics and Rules of Professional Conduct.

The Internal Auditor shall be responsible for the performance of the Internal Audit function and the performance of staff in accordance with the University of Swaziland's relevant performance standards.

The provisions of the internal audit opinions and recommendations do not diminish the responsibility of other line managers. Before deciding to include any resources (other than available in the internal audit function) the following should be considered.

- ◆ Limitations on the internal auditor's ability to give independent advice on the department's/activity's operations.
- ◆ The availability of skills, knowledge required to effectively perform internal audit work.
- ◆ The impact on the core internal audit function.

The internal audit function however, can be staffed by employees of the University of Swaziland appointed in the Internal Audit function or by contracting external consultants.

It shall be the responsibility of the Internal Auditor that resources provided are used to ensure that the function operates efficiently, effectively and economically. Where internal audit resources are provided for the purpose of providing certifications or opinions, an appropriate fee will be charged for this purpose to the extent that such fee can be fully recovered from the external organisation to who the certification or opinion was provided or issued.

10. Confidentiality

Persons performing the internal audit work and those with access to internal audit work papers are expected to maintain the confidentiality of any data which may be considered to be of a sensitive/confidential nature.

11. Approval and amendment of the Charter

The Audit Committee of the University Council and the Vice Chancellor have been delegated the authority to approve and amend the University of Swaziland Internal Audit Charter.