

OFFICE OF INTERNAL AUDIT CHARTER

PURPOSE

The purpose of the internal audit function is to strengthen University's ability to create, protect, and sustain value by providing the Board of Governors (hereafter referred to as the Board) and Executive Management¹ with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances University's:

- Successful achievement of its objectives;
- Governance, risk management, and control processes;
- Decision-making and oversight;
- Reputation and credibility with its stakeholders; and
- Ability to serve the public interest.

Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest;
- The internal audit function is independently positioned with direct accountability to the Board of Governors; and
- Internal auditors are free from undue influence and committed to making objective assessments.

MANDATE

Authority

The Board grants the internal audit function the mandate to provide the Board, its Committees, and Executive Management with objective assurance, advice, insight, and foresight.

The office of internal audit is established by the Board through its Audit and Risk Management Committee (hereafter referred to as the A&RMC). The responsibilities of the office of internal audit are defined by the A&RMC as part of its oversight role. The internal audit function's authority is created by its direct reporting relationship to the A&RMC and allows for free and unrestricted access to the A&RMC and the Executive Management.

The office of internal audit, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of the University functions, data, records, information, physical properties, and personnel pertinent to carrying out internal audit responsibilities. All employees are requested to assist the office of internal audit in fulfilling its roles and responsibilities. The office of internal audit will control access to internal audit records and will consult with the Chair of A&RMC, Executive Management, and/or legal counsel prior to releasing internal audit records to external parties.

¹ **Executive Management** – consists of the President and direct reports to the President, who are in senior management positions (Vice Presidents; Chief Governance Officer; Associate Vice President (Human Resources); and Associate Vice President (Indigenous Engagement))

The office of internal audit is authorized to allocate its resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the internal audit function's objectives.

Independence and Objectivity

The office of internal audit will report functionally to the A&RMC and administratively to the Chief Governance Officer. This positioning provides the organizational authority and status to bring matters directly to the Executive Management and escalate matters to the A&RMC and the Board, when necessary, without interference, and supports the office of internal audit ability to maintain objectivity.

The A&RMC will participate in the decisions regarding the appointment, removal, and performance review of the Internal Auditor.

The office of internal audit will confirm for the A&RMC, at least annually, the organizational independence of the internal audit function.

The office of internal audit will remain free from all conditions that threaten the ability of Internal Auditor to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication to permit maintenance of a necessary independent and objective mental attitude.

Internal Auditor will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal Auditor will have no direct operational responsibility or authority over any of the activities they review. Accordingly, Internal Auditor will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year;
- Performing operational duties for the University;
- Initiating or approving transactions external to the office of internal audit; and
- Directing the activities of any University's employee that is not employed by the office of internal audit, except to the extent that such employees have been appropriately assigned to internal audit team(s) or to assist Internal Auditor.

Internal audit function neither substitutes nor relieves other University personnel from their assigned responsibilities.

The Internal Auditor will:

- Disclose impairments of independence or objectivity, in fact or appearance, to the A&RMC and Chief Governance Officer and communicate the related implications on the internal audit function's effectiveness and ability to fulfill its mandate;
- Exhibit professional objectivity in gathering, evaluating, and communicating information;
- Make balanced assessments of all available and relevant facts and circumstances; and
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Ethics and Professionalism

The Internal Auditor will:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality;
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the University and be able to recognize conduct that is contrary to those expectations;
- Encourage and promote an ethics-based culture in the University; and
- Report organizational behavior that is inconsistent with the University's ethical expectations, as described in applicable policies and procedures.

Communication

The office of internal audit will report to the A&RMC and Executive Management regarding:

- An internal audit function's mandate;
- Office of internal audit charter and any required changes;
- An internal audit strategy and an annual internal audit plan for review and further recommendation to the Board for approval;
- Information on the status and results of the internal audit strategy and annual internal audit plan and the sufficiency of internal audit resources;
- An internal audit budget;
- An annual report of the office of internal audit activities at the conclusion of each fiscal year;
- A written report following the conclusion of each internal audit engagement. The internal audit report may include management's response and corrective actions taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken, a lead responsible for implementation, and an explanation for any corrective action that will not be implemented;
- Follow-up on engagement findings and recommendations;
- Reports regarding any significant unresolved matters with management;
- Reports on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the A&RMC and Executive Management;
- Reports on allegations received through the safe disclosure line, investigations performed, results of investigations, and actions pursuant to the investigations;
- Instances of management exceptions or overrides to University policies;
- Potential impairments to independence, including relevant disclosures as applicable; and
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.

Responsibilities

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the University governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives.

This includes:

- providing the A&RMC with the information necessary to establish and recommend to the Board for approval the internal audit mandate, charter, multi-year internal audit strategy, and annual internal audit plan, and to update these as required;
- developing and maintaining an internal audit charter that specifies, at a minimum, the internal audit function's purpose, commitment to adhering to the Global Internal Audit Standards, mandate, organizational position, and reporting relationships;
- developing an internal audit strategy (every five years) and a risk-based internal audit plan (at least annually) that consider the input of the A&RMC and Executive Management;
- reviewing and adjusting the internal audit strategy and internal audit plan, as necessary, in response to changes in University's business, risks, operations, programs, systems, and controls;
- communicating the impact of resource limitations, if any, on the internal audit strategy and internal audit plan to the A&RMC and Executive Management;
- meeting with the A&RMC in an *in camera* session at every meeting or more frequently at the request of the Internal Auditor or the Chair, A&RMC;
- planning, conducting, and reporting on the internal audit engagements;
- following up on internal audit engagement findings, confirming the implementation of recommendations or action plans, and communicating the results of internal audit services to the A&RMC and Executive Management annually and for each internal audit engagement as appropriate;
- ensuring the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate;
- considering emerging trends and successful practices in internal auditing;
- establishing and ensuring adherence to methodologies designed to guide the internal audit function;
- reviewing the University's established internal control system, administrative controls and processes to ensure that these are functioning, adequate, effective and efficient;
- reviewing the reliability and integrity of the accounting, financial and reporting systems and procedures;
- assessing compliance of processes and procedures with University policies, provincial and federal laws and regulations, contractual obligations and best business practices that have a significant impact on University's operations and reporting;
- reviewing the extent to which University resources are employed and determining if these resources are employed efficiently and economically;
- assessing the means in which assets are safeguarded as appropriate, verifying the existence and appropriate use of these assets;
- evaluating operational procedures to determine whether results are consistent with established objectives and goals, and whether the procedures are carried out as planned;
- evaluating the effectiveness of the University's operational risk management processes;
- acting as a central point of contact for receiving disclosures of alleged wrongdoing that are submitted in accordance with the policy Safe Disclosure;
- coordinating investigations of allegations of wrongdoing and preparing reports to Executive Management and the A&RMC on allegations received, investigations performed, results of investigations, and actions pursuant to the investigations;
- engaging external contractors to increase the scope of the internal audit, when necessary, or to perform specialized projects;
- providing advice when policies and procedures, financial and administrative systems, organizational structures and other related administrative activities are being reviewed;
- providing advice on the design of new processing systems and/or major modifications to existing systems prior to installation to ensure the new system has adequate, effective and efficient controls;
- identifying and considering trends and emerging issues that could impact the University and communicating to the A&RMC and Executive Management as appropriate;
- developing and presenting the budget for special projects and initiatives of the office of internal audit to the A&RMC and Chief Governance Officer in accordance with the annual internal audit plan;

- meeting with the office of the Provincial Auditor on a regular basis to ensure that each other's activities are coordinated in order to minimize duplication of areas to be audited;
- coordinating activities with other internal and external providers of assurance and advisory services, where appropriate; and
- sending, upon request, internal audit reports and plans to the Provincial Auditor. If other auditors are engaged, the sharing of internal audit reports and plans will be done with the permission of the Chair of the A&RMC, as required.

OVERSIGHT

To establish, maintain, and ensure that internal audit function has sufficient authority to fulfill its duties, the A&RMC will:

- Discuss with the office of internal audit and Executive Management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function;
- Participate in discussions with the Internal Auditor and Executive Management about the “essential conditions” described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function;
- Review annually and recommend to the Board the approval of the office of internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services;
- Review the internal audit strategy and risk-based internal audit plan and recommend for approval to the Board;
- Receive an executive summary of each final internal audit report;
- Ensure a quality assurance and improvement program has been established and review the results annually;
- Ensure the office of internal audit has unrestricted access to and communicates and interacts directly with the A&RMC, including in camera sessions without management present;
- Participate in the decisions regarding the appointment, removal, and performance review of the Internal Auditor and the related human and financial resources;
- Collaborates with Executive Management to determine the qualifications and competencies of the Internal Auditor;
- Review the office of internal audit expenses;
- Receive communications from the office of internal audit about the internal audit function including its performance relative to its annual work plan; and
- Make appropriate inquiries of Executive Management and the office of internal audit to determine whether scope or resource limitations are inappropriate.

SCOPE OF ACTIVITY

The scope of internal audit services covers the entire breadth of the organization, including all University's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and management on the adequacy and effectiveness of governance, risk management, and control processes for the University.

The scope of work covers two main types of services:

- assurance; and
- advisory.

Assurance services involve the Internal Auditor's objective assessment of evidence to provide assurance regarding an operation, function, process, system, or other subject matters. The nature and scope of the assurance engagement are determined by the office of internal audit and recommended for approval to the Board by the A&RMC.

Advisory services involve the Internal Auditor's advice without providing assurance or taking on management responsibilities. These services are generally performed at the specific request of either Executive Management or the A&RMC. Members of the Senior Leadership Team can request services of the office of internal audit through their executive sponsor in the Executive Management. The nature and scope of the advisory services are subject to agreement with the management of the unit/division/function being reviewed. Advisory services are intended to add value and improve University governance, risk management, and control processes. Examples of outcomes from these services can include counsel, advice, facilitation, and training. When performing advisory services, the Internal Auditor will maintain objectivity and not assume management responsibility.

The office of internal audit also acts as a central point of contact for receiving disclosures of an alleged wrongdoing submitted in accordance with the policy Safe Disclosure and has the primary responsibility for coordinating investigations of allegations of wrongdoing.

The internal audit strategy will be developed on a five-year cycle, including input of the Executive Management. The strategy will be recommended for approval to the Board by A&RMC. To ensure relevance of the underlying assumptions and alignment with University's strategic objectives, the strategy will be revisited annually, and the office of internal audit will report to the A&RMC its performance against the strategic goals and desired outcomes.

The internal audit plan will be developed based on a prioritization of the University's audit universe using a risk-based methodology which will include the input of the Executive Management and will consider the future impact in addition to the traditional historical focus of audit compliance practices. The plan will be reviewed at least annually and recommended for approval to the Board by the A&RMC. The office of internal audit will review and adjust the plan, as necessary, in response to changes in the University's risk environment/tolerance, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to the Executive Management and resubmitted to the A&RMC for recommendation to the Board for approval. The A&RMC will oversee the work of the office of internal audit through periodic activity reports.

ADHERENCE TO GLOBAL INTERNAL AUDIT STANDARDS

The office of internal audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The office of internal audit will report annually to the A&RMC and Executive Management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

In addition, the internal audit activity will adhere to relevant University policies and procedures.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The office of internal audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal

audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program will also assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

The office of internal audit will communicate annually to the Executive Management and the A&RMC on the internal audit activity's quality assurance and improvement program, including results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments conducted at least every five years by qualified, independent assessor or assessment team from outside the University; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

CHANGES TO THE MANDATE AND CHARTER

Circumstances may justify a follow-up discussion between the Internal Auditor, A&RMC, and Executive Management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards;
- A significant reorganization within the University;
- Significant changes in the office of internal audit, A&RMC, and/or Executive Management;
- Significant changes to the University's strategies, objectives, risk profile, or the environment in which the University operates; and
- New laws or regulations that may affect the nature and/or scope of internal audit services.

RELATED DOCUMENTS

Global Internal Audit Standards™

University of Regina policy GOV-080-015, [Internal Audit](#)
[Audit and Risk Management Committee Terms of Reference](#)

The charter was revised on December 16th, 2025

Original created on December 8th, 2015

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