



Georgia Institute of Technology Audit Charter

Purpose and Mission

The purpose of the Georgia Institute of Technology (the “Institute” or “Georgia Tech”)’s Department of Internal Auditing (DIA) is to provide independent, objective assurance and advisory services in order to add value and improve operations while promoting accountability and transparency to maintain public trust. The DIA helps the Institute accomplish its objectives by bringing a systematic, disciplined, and collaborative approach to evaluate and improve the effectiveness of governance, risk management, compliance, and internal control processes.

Internal Audit Mandate

The DIA provides internal audit services to the Institute as defined by the requirements of BOR *Policy Manual* § 7.9.2 – Internal Audits. The scope of these services is further described by USG *Business Procedures Manual* § 16.1 – Internal Audit Functions Across the USG, § 16.3 – Types of Internal Audit, Ethics and Compliance Engagements, and § 16.4 – Internal Audit/Engagement Process.

Role of the Internal Audit Function

Internal Audit reports directly to the President of the Institute (the “President”), and the USG’s Chief Audit Officer (“BOR CAO”), as required by Board of Regents (“BOR”) *Policy Manual*, 7.9.2. The senior staff member of Internal Audit will serve as the Institutional Chief Audit Executive (“CAE”) as it pertains to system-wide meetings and communications. Internal Audit does not report to any other division or unit of the University.

Responsibilities

- 1) The CAE is responsible for developing an institution-wide rolling audit plan using appropriate risk-based methodology, including input from senior management and the BOR CAO. The President will review and approve the audit plan before it is submitted to the BOR CAO for approval by the BOR Committee on Internal Audit, Risk, and Compliance. Any modifications to the audit plan will be communicated to the BOR CAO for approval.
- 2) The CAE is responsible for performing and/or providing functional coordination and guidance for the following institution-wide audit activities:
 - a) Implement the annual audit plan, as approved, including and as appropriate, any special tasks or projects requested by the appropriate levels of management and approved by the President and BOR CAO.
 - b) As applicable, recruit, train, and maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the objectives of this charter. To the extent that additional or expert/specialized skills are needed to supplement the work, such activities may be co-sourced or out-sourced as necessary.
 - c) Evaluate and assess significant new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.

- d) Analyze operational issues impacting enterprise-wide processes and organizational areas.
- e) Conduct follow-up reviews on previously reported recommendations.
- f) Issue periodic reports to the President and BOR CAO summarizing results of audit activities.
- g) Pursuant to *USG Business Procedures Manual 16.6.5*, report all issues of malfeasance to the BOR CAO.
- h) Keep the President informed of emerging trends regarding risk management, internal controls, and successful practices in internal auditing.
- i) Investigate reported occurrences of fraud, waste, and abuse and recommend controls to both prevent and detect such occurrences.

The CAE will meet, at least every quarter, with the President and is expected to meet as necessary with other members of the Office of the President. The CAE will periodically report to senior management and the BOR the following:

- The DIA's purpose, authority, and responsibility.
- The DIA's plan and performance relative to its plan.
- The DIA's conformance with the IIA's Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the BOR.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the Institute.

Authorization

To the extent permitted by law, the DIA has full access to all activities, records, properties, and personnel within the institution to include cooperative organizations created to serve the institutions. The DIA is authorized to review and appraise all operations, policies, plans, and procedures. Documents and other materials provided to the DIA will be handled in the same prudent manner as handled by those employees normally accountable for them.

Independence and Objectivity

The CAE will ensure the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the CAE determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to the President and the BOR CAO.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors must disclose any impairment of independence or objectivity, in fact or appearance, to the CAE and ultimately to the BOR CAO. Internal auditors will exhibit the highest

level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined and will not be unduly influenced by their own interests or by others in forming judgments.

Definition of Audit Engagement Scope

The DIA encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of governance, risk management, compliance, internal control and the quality of performance in carrying out assigned responsibilities. The scope will vary by area and may include:

1. Review the effectiveness of governance processes to include the:
 - a) Promotion of ethical behavior within the organization;
 - b) Efficiency of organizational performance management and accountability;
 - c) Communication of risk and control information to appropriate areas of the organization; and,
 - d) Coordination of activities and information among external and internal auditors and management.
2. Review the effectiveness of risk management processes to include the:
 - a) Alignment of organizational objectives in support of the USG and institutional missions;
 - b) Identification and assessment of significant risks;
 - c) Alignment of risk responses with the institution's risk appetite; and,
 - d) Capturing and communication of relevant risk information across the institution so as to enable staff and management to carry out their responsibilities.
3. Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
4. Review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the System is in compliance.
5. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
6. Review and appraise the economy and efficiency with which resources are employed.
7. Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
8. Review the status of Information Technology policies and procedures, verifying that required hardware, software and process controls have been implemented and that the controls are functioning properly.
9. Conduct special audits at the request of the CAO or President.

10. Analyze and review public private ventures associated with the institution and its cooperative organizations.
11. Provide advisory services at the request of institution management and with the CAO's approval consistent with the IIA standards governing advisory engagements. Advisory engagements undertaken should have the potential to contribute to the improvement of governance, risk management, compliance, and/or internal controls within the institution.

The internal audit function shall issue reports on the results of completed reviews, discuss these reports with appropriate levels of management, and share them with the BOR CAO before distributing them as final reports to the BOR CAO, President, and other levels of management as deemed appropriate.

Required Actions by Management




The institutional areas receiving an internal audit report from the DIA will respond within 10 business days. This response will indicate agreement or disagreement, proposed actions, and the dates for completion for each specific finding and recommendation. If a recommendation is not accepted, the reason should be given. A final written report will be prepared and issued by the DIA.

Quality Assurance and Improvement Program

The DIA will participate in a quality assurance and improvement program (QAIP) created by the BOR CAO that covers all aspects of the internal audit process. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the *Code of Ethics*. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The DIA will participate in quality assurance external assessments with the USG OIAEC conducted at least every five years as required by *Global Internal Audit Standards*. The ICA will report to the President on the results of the review.

Approved by:

 Dr. Angel Cabrera, President, Georgia Institute of Technology	1.2.2025 Date
 Jenna Wiese, Vice Chancellor for Internal Audit, Ethics & Compliance, Board of Regents of the University System of Georgia	1/21/2025 Date
 Jodi Geary, Chief Audit Executive, Georgia Institute of Technology	12/30/2024 Date