

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 consulting services designed to add value and improve the Institute's operations. The DIA assists the Institute in accomplishing its strategic mission by bringing a systematic, disciplined, and collaborative approach to evaluate and improve the effectiveness of governance, risk management, and internal control processes.

Standards for the Professional Practice of Internal Auditing

The DIA will govern itself by adherence to the mandatory guidance of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The Chief Audit Executive (CAE) will report directly to the President of the Institute and to the Vice Chancellor (VC) for Internal Audit of the University System of Georgia (USG) Board of Regents (BOR) regarding the DIA's conformance to the Code of Ethics and the *Standards*. Internal auditors must also adhere to additional standards as outlined by Information Systems Audit and Control Association (ISACA).

In addition, internal audit activity will adhere to the Institute's relevant policies and procedures and DIA's standard operating procedures manual.

Authority

The CAE will have a direct reporting relationship to both the President of the Institute, and to the Vice Chancellor (VC) of the University System of Georgia (USG) Board of Regents (BOR) as required by BOR Policy 7.9.2. The CAE will report functionally to the BOR and administratively to the President of the Institute. To establish, maintain, and assure that Georgia Tech's internal audit activity has sufficient authority to fulfill its duties, the BOR will:

- Approve the DIA's audit charter.
- Approve the risk-based internal audit plan.
- Receive communications from the CAE on the DIA's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the CAE.
- Approve the remuneration of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The President of the Institute and BOR authorizes DIA to:

- Have unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality, and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scope of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the Institute, as well as other specialized services from within or outside the Institute, in order to complete the engagement.

Independence and Objectivity

The CAE will ensure that the DIA remains free from interference by any element in the Institute that threaten the ability of internal auditors to carry out their responsibilities in an independent and objective manner, including matters of audit selection, scope, procedures, frequency, timing, or report content.

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

Internal auditors must disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties. Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The CAE will confirm to the BOR, at least annually, the organizational independence of the internal audit activity. If the CAE determines that independence and objectivity may be impaired in fact or appearance, the details of impairment and related implications will be disclosed and discussed to the senior management and to the BOR.

Responsibility

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

- Risks relating to the achievement of Georgia Tech's strategic objectives are appropriately identified and managed.
- The actions of Georgia Tech's faculty, staff, and contractors are in compliance with the Institute's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.

- The operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Institute.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

This role extends to the Georgia Tech campus proper as well as remote, satellite, extension campuses, or other facilities.

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.

Reporting Responsibilities

1. The DIA will submit an annual risk-based audit plan to senior management and the BOR for review and approval. Any significant interim changes to the audit plan will be communicated to the senior management and the BOR.
2. The DIA will conduct reviews and evaluations of management practices and procedures at the Institute. Reviews will include, but are not limited to:
 - Evaluations of internal control systems to determine their adequacy for the protection of institutional assets, the production of accurate and reliable information, and the assurance that institutional policies and procedures, state and federal laws, and contractual policies are followed.
 - Determinations as to whether Institute resources (personnel, property, funds, etc.) are being utilized in an economical and efficient manner, including the underlying causes of any inefficiencies or problematic practices.
 - Determinations as to whether desired results or benefits are being achieved from approved programs.
 - Formulating recommendations to management for improvement in, or correction of practices and procedures.

3. The DIA shall issue reports on the result of completed reviews, discuss these reports with appropriate levels of management, and distribute them to the University System of Georgia (USG) Internal Audit Division, President of the Institute, as well as other levels of management as deemed appropriate by the CAE.
4. The CAE shall have the authority to require a written management response within IO business days to audit observations and recommendations contained in audits.
5. The DIA will follow up on engagement findings and corrective action plans, and report periodically to senior management and the BOR any corrective actions not effectively implemented.
6. The DIA will review information systems at the unit level, as well as enterprise level processes to ensure that they are adequately defined, properly justified, documented, and include the necessary internal controls.
7. The DIA will reserve a portion of its time, correlated to need, for advisory/consulting services to management. Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice - the internal auditor, and (2) the person or group seeking and receiving the advice - the engagement client. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility.
8. The DIA shall develop a liaison interaction with the functions of compliance, enterprise risk management, legal affairs, and other functions as necessary.
9. The CAE will recruit, train, and maintain professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the objectives of the DIA. To the extent that specialized skills are needed to supplement the audit work, such activities may be co-sourced or out-sourced as necessary.

Quality Assurance and Improvement Program

The DIA will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the DIA's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.

The CAE will communicate to senior management and the BOR on the internal audit activity's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Institute.

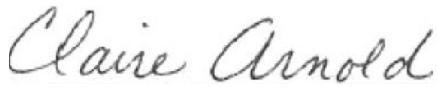
Approval:

Date: 2/9/2021



Dr. Angel Cabrera
President
Georgia Institute of Technology

Date: 03/11/2021



Ms. Claire M. Arnold
Vice Chancellor for Internal Audit
University System of Georgia