



# **INTERNAL AUDIT CHARTER 2017**

*Internal Audit Unit, Kabale University,  
P. O Box, 317,*

## ***Kabale***

### **1.0 INTRODUCTION**

Internal Audit is an independent activity of objective assurance and consulting that takes place in the public sector determining whether acceptable policies and procedures are followed, legislative requirements and established standards are met, resources are used efficiently and economically, planned objectives (missions) are accomplished effectively and the objectives of the Public Sector entity are met.

### **2.0 VISION STATEMENT**

A world class Internal Audit function committed to professional excellence.

### **3.0 MISSION**

To provide independent and objective assurance designed to add value and improve Kabale University operations on risk management, Internal control and governance processes.

### **4.0 CORE VALUES**

- i. Quality
- ii. Integrity
- iii. Confidentiality
- iv. Objectivity
- v. Independence

### **5. 0 INTERNAL AUDIT OBJECTIVE**

The objective of the Internal Audit is to provide additional assurance to the University Council that the implementation of management and control mechanisms is adequate, economical and consistent with the generally recognised standards and national legislation. The Internal Audit furnishes the overall University Management with analyses, recommendations, advices and information concerning the activities reviewed.

## **6.0 MANDATE OF INTERNAL AUDIT**

Internal Audit assists the University Management to accomplish their objectives as set by the Public Finance Management Act, 2015 Section 48 by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control systems and compliance with Kabale University processes.

The scope of work of the Internal Audit Function therefore encompasses the examination and evaluation of the adequacy and effectiveness of Kabale University systems of internal control and quality of performance by carrying out the following assigned responsibilities:

**6.1** Review and report on the system for generating financial information and data, and on the reliability and integrity of financial statements and other related accounting and financial information.

**6.2** Conduct systems audit to ascertain whether or not internal controls are appropriate to Kabale University, and whether or not they are operating effectively and efficiently.

**6.3** Conduct Value for Money audits on key activities of Kabale University to ascertain whether or not value has been obtained (efficiency, effectiveness, and economy).

**6.4** Conduct risk management audits to ascertain whether or not Kabale University management has set procedures for risk identification and management including frauds and money laundering.

**6.5** Conduct environment audits to ascertain whether or not management has put in place procedures for identifying environmental risks in its activities, and for ensuring that these environment risks are monitored and managed appropriately.

**6.6** Conduct periodic reviews to confirm whether or not Government policies and specific applicable instructions are followed, and confirm whether or not

Kabale University management is complying with all applicable legislations and regulations.

**6.7** Review Kabale University structures and systems for ensuring that objectives and values of the University are being achieved.

**6.8** Conduct reviews on various projects implemented by Kabale University and report on project management, implementation, and conduct post implementation reviews.

**6.9** Conduct reviews on resource acquisition, deployment & utilization, disposal and whether there are appropriate and adequate arrangements for safe custody of the University assets.

**6.10** Conducting special audits and investigations as it may be requested by the University Management and Council.

## **7.0 AUTHORITY**

The authority of the internal audit function is enshrined in the Public Finance Management Act, 2015 Section 48 and the Universities and Other Tertiary Institutions Act, 2001 Section 63 as amended. The Internal Audit Function is mandated by the University Council to:

**7.1** Have unrestricted access to all functions, records, property and personnel of Kabale University.

**7.2** Have free access to the Audit and Risk Management Committee through the Officer in Charge of Internal Audit.

**7.3** Access adequate resources, determine scopes of work and apply the techniques required to accomplish audit objectives.

**7.4** Access necessary assistance of personnel in the University Departments where they perform audits, as well as other specialized services from within or outside the department.

***The staff of the Internal Audit Function is not authorized to:***

**7.5** Perform any operational duties of any University department or Unit.

**7.6** Initiate or approve transactions external to the internal auditing department.

**7.7** Direct the activities of any Department or Unit employee not employed by the Internal Audit Function, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

## **8.0 ACCOUNTABILITY**

The Officer in Charge of Internal Audit and staff of the Internal Audit Function at Kabale University in discharge of their duties shall administratively report to the Vice Chancellor and functionally to the Audit and Risk Management Committee to:

**8.1** Provide quarterly and annual assessment on the adequacy and effectiveness of the University's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope/mandate.

**8.2** Report significant issues related to the processes for controlling the activities of the University including potential improvements to those processes, and provide information concerning such issues through resolution.

**8.3** Periodically provide information on the status and the results of the annual audit plan and the sufficiency of the Internal Audit Function resources.

**8.4** Coordinate with and provide information to other oversight organs of Government as deemed necessary.

**8.5** Report on special assignment to appropriate authorities.

## **9.0 INDEPENDENCE**

The Staff of the Internal Audit Function shall report to the Officer in Charge of Internal Audit, who in turn reports administratively to the Vice Chancellor and functionally to the University Council through the Audit and Risk Management Committee.

## **10.0 RESPONSIBILITY**

The Officer in Charge of Internal Audit at Kabale University has a responsibility to:

**10.1** Prepare annual audit plan using an appropriate risk-based methodology, and submit it to the Audit and Risk Management Committee for review and approval by Council. A copy of the approved work plan shall be sent to the Internal Auditor General in accordance with Section 48 (5) of the Public Finance Management Act, 2015.

**10.2** Implement approved annual audit plan including any other special task or project requested by Management and the Audit and Risk Management Committee.

**10.3** Kabale University Management shall ensure that the Internal Audit unit is equipped with adequate staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.

**10.4** Evaluate, assess and report on significant emerging issues and their effects/ impact on operations, and control processes and Internal Audit function.

**10.5** Issue quarterly reports to the Audit and Risk Management Committee and provide a copy to the Internal Auditor General in accordance to Section 48 (6) of the Public Finance Management Act, 2015.

**10.6** Assist in the investigation of significant suspected fraudulent activities within Kabale University and notify Management and other stakeholders of the results.

**10.6** The Internal Auditors shall ensure to attend Continuous Professional Development to keep them abreast with new developments in the Auditing and Accounting fields.

## **11.0 IMPLEMENTATION OF THE INTERNAL AUDIT CHARTER**

This Charter is a guide to the operationalization of the Internal Audit provisions in the Public Finance Management Act, 2015 and the relevant laws and regulations. The Vice Chancellor shall be responsible for the overall implementation of this Charter. The Vice Chancellor shall ensure that the internal audit function is appropriate to the needs of Kabale University concerns and conforms to the internationally recognised standards in respect of its status and procedures. The Officer in Charge of Internal Audit shall

continuously liaise with the University Management for appraisal, staffing needs, training needs, and technical & professional development.

## **12.0 RELATIONSHIP WITH OTHER OVERSIGHT ORGANS**

In the performance of their duties and through appropriate channels, Kabale University Management shall interact with and complement all relevant Government departments and Agencies in relation to internal audit to promote efficiency, effectiveness and economy in utilization of resources in the attainment of National objectives.

## **13.0 STANDARDS OF AUDIT PRACTICE**

All activities and recommendations of the Internal Audit Function will be to the highest standards and ethical considerations and be consistent with the Government of Uganda Laws, Professional Standards, Internal Audit and Inspection Manual and Best Practices.

## **14.0 REVIEW OF THE CHARTER**

The Kabale University Council may review the Charter as and when need arises and shall make directives to the University Management on any changes deemed necessary for the proper functioning of the Internal Audit function.

## **15.0 CONFLICT OF INTEREST**

Each Internal Auditor shall take personal responsibility to pro-actively declare any conflict of interest in the performance of their duties.