




September 26, 1986

ADMINISTRATIVE MEMORANDUM NO. 98

TO: All Administrative Unit Heads  
FROM: Thurman Owens   
RE: The University of Cincinnati Internal Audit and Management Services Charter

The Charter for Internal Audit and Management Services has been revised and is being issued for two reasons: (1) To reaffirm Internal Audit and Management Services' authority to conduct audits deemed necessary by the University administration. And (2) To solicit the cooperation of all departments by ensuring that the staff of Internal Audit and Management Services are given access to information vital to conducting audits.

Internal Audit and Management Services' Charter

I. Purpose of Internal Audit and Management Services

Internal Audit and Management Services should be an independent appraisal function within the University which examines and evaluates the system of internal controls of the organization. To this end, Internal Audit and Management Services furnishes management with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.

II. Independence

Internal Audit and Management Services should be independent of the activities it audits. Internal Audit and Management Services is independent when it can carry out its work freely and objectively. This independence permits the department to render impartial and unbiased judgments and is achieved through organizational status and objectivity.

III. Organizational Status and Objectivity

Internal Audit and Management Services should have the support of the Administration and of the Board of Trustees so that it can gain the cooperation of auditees and perform its work free from interference. To ensure this cooperation, Internal Audit and Management Services Department reports to the Office of the President.

Objectivity is a mental attitude which internal auditors should maintain in performing audits. Designing, installing and operating systems, and drafting procedures for systems or policies are not audit functions. Performing such activities is presumed to impair audit objectivity.

IV. Authority

Internal auditors, in connection with their official duties, are authorized admittance to all University facilities and access to all University records necessary to complete assigned activities.

V. Scope of Internal Audit Activities

Internal Audit and Management Services should perform examinations and evaluations of the adequacy and effectiveness of the organization's systems of internal control. The purpose of the examination and evaluation is to review the adequacy of such controls and to ascertain whether the systems established ensure:

1. the reliability and integrity of information;
2. compliance with policies, procedures, laws, and regulations;
3. the safeguarding of assets.

Internal Audit and Management Services may also perform special projects requested by the President, Vice Presidents, Deans, Directors, or Department Heads. These projects may be performed to ensure:

1. economical and efficient use of resources;
2. accomplishment of established goals and objectives.

VI. Staffing

The size of the audit staff should be adequate to perform and complete the audits designated and projects in a proficient manner.

The Director of Internal Audit and Management Services establishes suitable criteria of education and experience for filling internal audit positions, giving due consideration to the scope of work and level of responsibility.

VII. Reporting Auditing Results

A signed written report is issued after the audit examination is completed. The audit staff discusses their findings and recommendations at appropriate levels of management before issuing written audit reports. The Director of Internal Audit and Management Services reviews and approves final reports before issuance to the appropriate Administrator, Vice President, and President.

Questions regarding this memorandum may be directed to Internal Audit and Management Services at 475-4304.

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