



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

R. Scott Ralls, Ph.D.

President

INTERNAL AUDIT CHARTER

Purpose

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the North Carolina Community College System Office operations. It helps the System Office accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The purpose of the Internal Audit Department is to provide the President an independent appraisal of the adequacy and the effectiveness of the Systems Office's system of internal administrative and accounting controls and the quality of performance when compared with established standards. The primary objective is to assist the State Board, the President and System Office management in the effective discharge of their responsibilities.

Authority

N.C.G.S. Article 79 of Chapter 143 establishes an internal audit program in each state agency that:

- Promotes an effective system of internal controls that safeguards public funds and assets and minimizes incidences of fraud, waste, and abuse.
- Determines if programs and business operations are administered in compliance with federal and state laws, regulations, and other requirements.
- Reviews the effectiveness and efficiency of agency and program operations and service delivery.
- Periodically audits the agency's major systems and controls, including:
 - Accounting systems and controls.
 - Administrative systems and controls.
 - Information technology systems and controls.

The Internal Audit Department is an integral part of the North Carolina Community College System Office and functions within established policies. The Director of Internal Auditing reports functionally to the System President.

The Internal Audit Department will have unrestricted access to all System activities; records, both manual and electronic; property; and personnel relevant to any area being reviewed. Members of the Internal Audit Department staff will handle all documents and other information acquired in the course of their duties prudently.

Responsibility

The scope of the Internal Audit Department includes:

- Determining if the System's controls and processes are ensuring the reliability and integrity of financial and operating information.
- Compliance with policies, plans, procedures, laws and regulations that could have a significant impact on the System.

- Providing assistance with safeguarding of assets when appropriate.
- Investigating suspected fraud within the organization and apprise the President of the results.
- Providing consulting and advisory services to management that add value and improve the governance, risk management, and control processes when advisable and appropriate

Standards and Independence

The Internal Audit Department intends to adhere to the North Carolina Internal Audit Act, North Carolina Internal Audit Manual, Standards for the Professional Practice of Internal Auditing, Code of Ethics, and when appropriate, the Government Auditing Standards. The Department's internal auditors will uphold the principles of integrity, objectivity, confidentiality, and competency. Internal auditors will be independent of the activities or operations they review; they will not engage in any activity which would impair their independence.

R. Scott Ralls, President NC Community College System

Approval Date

Bryan W. Jenkins, Director of Internal Auditing

Approval Date