



## INTERNAL AUDIT AND ASSURANCE MANDATE

### 1. Establishment

- 1.1. This Mandate defines the functions, powers, duties and activities of the Internal Audit and Assurance function. The Mandate is reviewed by the Audit, Risk and Compliance Committee (the Committee) for approval by Council.
- 1.2. The Mandate has been prepared in order to support an effective internal audit function, consistent with Section 22 of the *Curtin University Act 1966* (WA) and Section 53(1)(d) of the *Financial Management Act 2006* (WA) and should be read in conjunction with the [Audit, Risk and Compliance Committee Constitution](#).

### 2. Functions

- 2.1. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. Internal audit helps the University accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the adequacy, integrity and effectiveness of risk management, compliance, internal control and governance processes and systems across university operations.<sup>1</sup>

### 3. Standards for the Professional Practice of Internal Auditing

- 3.1. The internal audit function will govern itself by adherence to the mandatory elements 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.

### 4. Independence and Objectivity

- 4.1. The Internal Audit and Assurance function is undertaken by an outsourced provider and does not have direct operational responsibility. In undertaking its contracted role, the outsourced provider will not implement internal controls, develop policies or procedures, install systems, prepare records, or engage in any other activity that may impair the outsourced provider's independence.
- 4.2. The outsourced provider will immediately disclose to Curtin any activity which constitutes or may constitute a conflict of interest. Where potential, perceived or actual conflicts of interest arise, they will be assessed and resolved in accordance with clause 5.1 of the Council Standing Orders and relevant clauses in the Internal Audit and Assurance contract.
- 4.3. The outsourced provider will exhibit the highest level of professional independence and objectivity in gathering, evaluating, and communicating information about the activity or process being examined, 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.
- 4.4. The Director Risk and Assurance or the outsourced provider will disclose to the Committee or Council, any interference and related implications in determining the scope of internal audit, performance of work, and/or communication of results.

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<sup>1</sup> Adapted from the Definition of Internal Auditing under the Institute of Internal Auditors International Professional Practices Framework

## **5. Organisational Structure**

- 5.1. The Internal Audit and Assurance function, as undertaken by the outsourced provider, sits within the Risk and Assurance area. Administratively for contract management purposes, the outsourced provider reports to the Director Risk and Assurance. Operationally the outsourced provider reports to the Council through the Committee and meets directly with the Vice-Chancellor and Chair of the Committee as required.

## **6. Powers**

- 6.1. In carrying out the Internal Audit and Assurance function, including the summary of duties and activities at Schedule A, the outsourced provider is authorised by Council, to have full, free and unrestricted access to all relevant University resources including:
- a) records, systems and data;
  - b) assets; and
  - c) personnel including employees, associates, officers and external parties (such as international partners and other third parties engaged under contract or otherwise).
- 6.2. The Internal Audit and Assurance function is authorised to allocate resources, set frequencies, select areas of focus, and apply techniques required to accomplish audit objectives, and issue reports in accordance with the Audit and Assurance Plan as approved by the Committee
- 6.3. The annual and three year internal audit and assurance plan (plan), associated budget, and any subsequent variations to the plan are approved by the Committee. Variations to the budget for the annual plan are to be approved by the Committee Chair and reported to the Committee at the next meeting. The Committee is to approve any audit and assurance advisory work outside the approved plan. This approval may be given by circular resolution, if appropriate.

## **7. Escalation and Notification**

- 7.1. The following escalation and notification process applies in relation to matters of concern regarding Internal Audit and Assurance matters:
- 7.1.1. the outsourced provider will raise issues initially at the appropriate operating level;
  - 7.1.2. if the parties are unable to reach agreement or a satisfactory conclusion from an Internal Audit and Assurance perspective, the issue is escalated at a more senior or executive management level as appropriate, and includes the Director, Risk and Assurance;
  - 7.1.3. again if the parties are unable to reach agreement or a satisfactory conclusion from an Internal Audit and Assurance perspective, further escalation will then flow to the Vice-Chancellor; and
  - 7.1.4. the Chair and Committee if necessary, including the Director, Risk and Assurance where appropriate.
- 7.2. Significant<sup>3</sup> or material<sup>2</sup> matters of concern are immediately escalated to the Vice-Chancellor and/or Chair of the Committee.

## **8. Scope of Internal Audit Activities and Duties**

- 8.1. The scope of internal audit activities and duties summarised at Attachment A includes but is not limited to, objective examinations of evidence for the purpose of providing

independent assessments to the Committee and the Council, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the University.

## 9. Quality Assurance

- 9.1. At the request of the Committee, the Internal Audit and Assurance function is to be benchmarked against global good practice including compliance with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, or equivalent.

## 10. Review of Mandate

- 10.1. The outsourced internal audit provider and the Director Risk and Assurance are responsible for conducting an annual review of this Mandate. Amendments to this Mandate are subject to the approval of the Council, on the recommendation of the Committee.

## 11. Definitions

### Material<sup>2</sup>

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financials statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

### Significant<sup>3</sup>

- approaches or exceeds the University's risk appetite;
- adversely affects the University meeting any of its TEQSA obligations; or
- the cumulative effect of multiple or similar breaches is significant.

### University Operations

The University's operations, whether domestic or global, delivered directly or through a third party.

## Version Control

Revision Ref. No.	Approved/ Rescinded	Date	Committee/ Board	Resolution Number	Document Reference
New	Approved	06/12/2017	Council	C 191/17	Item 8.5.2
Revised	Approved	22/08/2018	Council	C 125/18	Item 8.4.2
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<sup>2</sup> AASB 101 Definition of Material, Australian Accounting Standards Board - Effective January 1 2020

[https://www.aasb.gov.au/admin/file/content105/c9/AASB2018-7\\_12-18.pdf](https://www.aasb.gov.au/admin/file/content105/c9/AASB2018-7_12-18.pdf)

<sup>3</sup> Compliance Procedures, Curtin University, 06/10/2015

[http://policies.curtin.edu.au/local/docs/policy/Compliance\\_Procedures.pdf](http://policies.curtin.edu.au/local/docs/policy/Compliance_Procedures.pdf)

## **Schedule A - Summary of Internal Audit and Assurance Duties**

Internal Audit and Assurance duties include those activities necessary and convenient for Internal Audit and Assurance to perform its functions across the university operations. These duties and activities are in the context of the Internal Audit and Assurance Plan (plan) or otherwise as required by the Committee, and shall include, but are not limited to the following:

### **Planning**

- a) support the Director Risk and Assurance to prepare a draft three year Internal Audit and Assurance Focus including performance indicators for approval by the Committee;
- b) prepare an annual and three year plan to ensure full assurance of the University's strategic and operational business risks and the key systems of internal control and draft Internal Audit and Assurance budget;

### **Reporting**

- c) provide updates to and progress against the annual and three year plan and any changes to the plan;
- d) provide updates on reports, significant findings and recommendations made by Internal Audit and Assurance and/or External Audit and that they are being considered and responded to by management on a timely basis;
- e) prepare reports and papers to and on behalf of the Committee;

### **Audit and Assurance**

- f) review systems, operations and performance to assess the adequacy of internal controls including processes and systems to identify and manage risks relating to the achievement of Curtin's strategic and operational objectives in accordance with the agreed annual and three year plan;
- g) the results of operations or programs are consistent with established goals and objectives;
- h) operations or programs are being carried out effectively and efficiently;
- i) assess and report on the adequacy, integrity and effectiveness of systems of internal control through assurance map reviews, internal and external audit reports, management reports and questionnaire outcomes that internal controls have operated effectively over the specified financial reporting period;
- j) assess and report on key systems of internal control, including fraud, technology and security controls across both corporate and academic functions;
- k) assess the relevance, integrity, timeliness and adequacy of management information;
- l) review established processes and systems that enable compliance with the policies, procedures, laws, and regulations that could significantly impact Curtin;
- m) assess compliance information and the means used to identify, measure, analyse, classify, and report such information to assure it is reliable and has integrity;
- n) ascertain the extent of compliance with compliance obligations for university operations including relevant laws, regulations, internal policies and legislation, external reviews and consistency with international compliance standards, and that the actions of Curtin's officers, directors, employees, and contractors are in compliance with Curtin's policies, procedures, and applicable laws, regulations, and governance standards;
- o) advise on appropriate systems of internal control across academic and corporate matters, academic governance, corporate governance, organisational culture, risk management, business continuity and resilience, compliance management and other operational matters;

- p) review the means of safeguarding assets and, as appropriate, verify the existence of such assets;
- q) recommend improvements in procedures and systems to detect and prevent fraud, waste, and loss;
- r) assess if resources and assets are acquired economically, used efficiently, and protected adequately;
- s) validate management actions prior to closing outstanding audit recommendations, where appropriate;
- t) prepare a data analytics strategy for approval by the Committee and establish and maintain continuous auditing and continuous monitoring through expanded use of data analytics in accordance with the data analytics strategy; carry out ad hoc appraisals, inspections, investigations, examinations or reviews in the related areas of fraud control, technology controls, cyber risk including privacy or data breach risk, safety and security, risk management generally and any other areas of focus as approved by the Committee;

#### **General**

- u) prepare agreed service delivery protocols between the outsourced internal audit provider, management and the Committee in relation to reasonable timeframes for the scoping, delivery and completion of audit assignments;
- v) review and draft updates to this Mandate;
- w) review and draft updates to the [Audit, Risk and Compliance Committee Constitution](#);
- x) participate in reviews of the Internal Audit and Assurance function, in the context of the Institute of Internal Auditors Professional Practices Framework as appropriate and provide an annual assurance statement of compliance with the Institute of Internal Auditors Professional Practices Framework; and
- y) share information on relevant thought leadership and global good practice with internal stakeholders.