

# Internal Audit Strategic Plan 2017-2019

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## A. Introduction

“Section 31 - Planning by internal audit function, Division 5 Internal audit and audit committees, **(QLD) Financial and Performance Management Standard 2009**” has the following requirements:

- “The internal audit function of a department or statutory body must undertake planning appropriate to the size and functions of the department or statutory body.
- The planning must include the preparation of:
  - a strategic audit plan that provides an overall strategy for the internal audit function for a period of at least 1 year; and
  - an audit plan, for each year, that sets out the audits intended to be carried out by the internal audit function during the year.
- The strategic audit plan and the annual audit plan of a department or statutory body must be approved by the department’s accountable officer or the statutory body”.

Section 2010 – Planning, **International Standards for the Professional Practice of Internal Auditing (Standards)**, also requires that the chief audit executive (Manager, Internal Audit role at JCU) must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals. The standards require that:

- the chief audit executive takes into account the organization’s risk management framework, including using risk appetite levels set by management for the different activities or parts of the organization;
- If a framework does not exist, the chief audit executive uses his/her own judgment of risks after consideration of input from senior management (University Executives) and the board (The Audit Committee of the University Council); and
- the chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation’s business, risks, operations, programs, systems, and controls.

Internal Audit function aligns its focus and activities to the University’s risks. Within this context, internal audit planning involves the development of:

- the **Internal Audit Strategic Plan** that relates the role of Internal Audit to the requirements of the University by outlining the broad direction of Internal Audit over the medium term, in the context of all the University’s assurance activities; and
- the **Internal Audit Annual Work Plan** which includes an Internal Audit Annual Work Schedule.

Together, these documents serve the purpose of setting out, in strategic and operational terms, the broad roles and responsibilities that are included in the **Internal Audit Charter** and identify key issues relating to internal audit capability, such as the required skills.

This Strategic Plan covers a three year period in line with the University’s normal planning cycle. It is **reviewed at least annually** by the Manager, Internal Audit in consultation with the University Executives and the key assurance providers, with the preliminary approval provided by the Vice Chancellor, and the formal approval provided by the Audit Committee of the University Council. Any significant deviation from the formally approved Internal Audit Strategic Plan is communicated to the Audit Committee for its approval including any impact of resource limitations.

## B. Roles, Responsibilities, and Standards Adopted

The purpose, authority, and responsibilities of the Internal Audit activity have been formally defined in the current Internal Audit Charter approved by the Audit Committee 18/08/2016, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards.

The **primary role** of the Internal Audit function is to provide objective and relevant **assurance** services to the University (and its stakeholders) in light of the University Plan and risk profile. One important component of the assurance services provided by Internal Audit is to conduct audits in the areas of interest to the Queensland Audit Office (QAO), so that QAO may potentially rely on the work of Internal Audit to reduce its direct audit effort, and in turn reducing the University’s external audit fee.

The **secondary** role of the Internal Audit function is to provide objective and relevant **consulting/ad hoc advisory** services, without assuming management responsibility. Internal Audit advises University management on a range of matters, including:

- development of new programs and processes;

- risk management; and
- fraud control.

The **tertiary** role of the Internal Audit function is to conduct audit support activities including the following:

- Internal Audit strategic and operational planning;
- Internal Audit functional and administrative reporting;
- monitoring the implementation of audit recommendations made by Internal Audit and QAO;
- liaison with the Queensland Audit Office;
- assisting Audit Committee to discharge its responsibilities, including facilitating Audit Committee reports to the University Council; and
- managing the contracts with and assessing the performance of the co-sourced service partners.

### C. Internal Audit Planning Framework, Methodology, and Process

The Internal Audit planning framework at the functional level includes the following two documents:

- This **Internal Audit Strategic Plan**. It has a three year outlook, and aims to describe the role of Internal Audit within the University's overall assurance framework and provide an important link between the Internal Audit Charter and the Internal Audit Annual Work Plan. It sets out:
  - the contribution of the internal audit function to the University assurance framework over the next three years;
  - the broad details of the audit, audit support and non-audit activities that internal audit will undertake; and
  - the proportion of resources that will be devoted to the different types of activities that will be undertaken.
- **Internal Audit Annual Work Plan**. This plan sets out the Internal Audit activities intended to be carried out within a calendar year. Manager, Internal Audit reviews the Internal Audit Annual Work Plan on a quarterly basis in line with the Audit Committee meeting dates. Any significant changes required will be discussed with the Vice Chancellor and be approved by the Audit Committee formally.

Internal Audit adopts a **risk based methodology**. The planning at both the functional and engagement levels is based on the risk assessment performed by Manager, Internal Audit to ensure that it is appropriate to the size, functions of Internal Audit and risk profile of the University. In order to provide optimal audit coverage to the University and minimise duplication of assurance effort, due consideration is given to the following aspects:

- key University business risks;
- any significant risks or control concerns identified by executive management;
- assurance gaps and emerging needs; and
- scope of work of other assurance providers, internal and external.

Internal Audit maintains an open relationship with the University's External Auditor and any other assurance providers. The **planning process includes formal consultation** with the following key stakeholders:

- The Chair of the Audit Committee;
- The Vice Chancellor;
- University Executives;
- Queensland Audit Office (QAO).
- Other internal assurance providers such as
  - Chief of Staff;
  - University General Counsel and Head - Legal and Assurance;
  - Director, Quality, Planning and Analytics; and
  - Divisional Executive Officer, Division of Services & Resources.

### D. External Environment (Extracted from the 2016 University Level Risk Assessment)

Federally, the Higher Education and research reform agenda remains volatile. Whilst the efficiency dividend first introduced by Labour has been removed in the recent Federal budget, the 20% reduction in CGS funding remains policy. There have been significant cuts to HEPP funding in addition to the

cessation of the Office of Learning and Teaching funding. Caps may be reintroduced to nominated programs and fee flexibility may be available for 'flag ship' programs. Input into the Government's options paper (*Driving Innovation Fairness and Excellence*) on the design of a higher education system that safeguards quality and is both equitable and affordable to students and taxpayers will be crucial.

Commitment to widening participation for equity groups given volatile or reduced program funding from Government sharpens the internal discussions on securing income from non-government sources, and internal resource commitment and allocations. Particularly when competition for all students continues to increase within the sector and scholarships based on merit and/or equity are key recruitment tools. It will be important to continue the engagement with the Federal and State governments to ensure that our infrastructure proposals are aligned to the National Innovation and Science Agenda, Advance Queensland initiatives, and the *Our North, Our Future: White Paper on Developing North Australia* and commitments, and need to be catalysts and enablers of sustainable economic development and growth in a region suffering from declines in the minerals and resources sector.

At the State level, the University has been engaging with the Department of Education and the Minister for Education on reducing the regulatory burden on Queensland universities including providing more flexibility in the structure of the governing body, and to ensure they are nationally competitive by allowing them to become increasingly free to make their own financial and commercial management decisions.

## **E. Internal Environment**

2016 is the first year that the new full Triennium Planning process has been undertaken since the University-wide restructure. The University focused on activating the new structure, investing where we needed to do so, and seeing through those changes required to realise the potential of the new structure. A great deal of work has been undertaken to identify key areas of focus and potential investment, assisted by PricewaterhouseCoopers and engaging various parts of the University, with oversight by the University Executive and also engaging the broader Vice Chancellor's Advisory Committee.

The University's assurance landscape has continued to evolve, including but not limited to the following progress:

- the completion and implementation of the Internal Audit Manual in addition to the inaugural Internal Audit Protocol in 2015 marked the completion of all the recommended actions within the 2013 External Assessment Report (of the former Audit and Assurance Office) issued in 2014;
- the review of the Risk Management framework and plan including an updated University Level Risk Assessment; Internal Audit was able to rely on the University Level Risk Assessment as the basis of management consultation during the Internal Audit planning process;
- the implementation of the new three pillar approach to the legislative compliance framework (subject to a scheduled internal audit review);
- the roll out of the Priority Projects which span across Academy, Conversions & Pathways, Student Experience, Alumni and Engagement, and Support Services;
- the commencement of the JCU Injury Prevention and Management Program in conjunction with Workplace Health and Safety Queensland (WHSQ) and WorkCover Queensland; and
- the development of a TEQSA Self-Assessment (gap analysis) tool which has been released to all relevant Divisional and Director Heads, in preparation for the renewal of the JCU's registration as Self-Accrediting Authority (SAA) under the Tertiary Education Quality Standards (TEQSA) Act (2011) (expires 30 June 2018).

The dynamic assurance landscape and control environment present great opportunities and challenges for Internal Audit to further align its activities and focus to the University risk profile, and meet the stakeholders' expectation which has continued to increase. During 2016, Internal Audit has focused on implementing the approved Internal Audit strategies in light of its roles and responsibilities of Internal Audit as defined within the refreshed Internal Audit Charter, and the 2013 External Assessment Report. Internal Audit has focused on increasing the collaboration and synergy with other internal assurance providers. Although great care has been taken to ensure that the effectiveness of the Internal Audit function is not unduly contingent on the effectiveness of the internal management assurance activities such as risk management, compliance, self-assessment, business review and

improvement, quality enhancement and health safety and environment, the fast changing University risk profile and management assurance activities have led to the deferral or cancellation of a few planned internal audits in 2016. This has been recognised and Internal Audit has taken extra effort and care when developing the Internal Audit Annual Work Schedule 2017 which includes:

- Obtaining the input from the Chair of the Audit Committee at the beginning of the internal audit planning process;
- Providing further opportunity for the University Executives and other internal assurance providers to provide feedback on the proposed auditable areas; and
- Planned mid-year meeting with the Risk and Compliance Officer and the Chief of Staff if necessary to obtain an updated view of the University assurance landscape.

## F. High Level Assurance Mapping Against the 10 University Level Risks

High level assurance mapping is performed to map the identified 10 University level strategic risks to the various assurance activities such as management controls, management committee(s) monitoring, and Internal Audit activities. The aim of this mapping is to identify, for the benefit of the Vice Chancellor and the Audit Committee, any risks that are not being addressed by either internal audit or another assurance or review activity. It is important to recognise the following:

- the activities of External Auditor do not form part of the University's control framework and are therefore not considered;
- the overall assessment of level of assurance is based on the Internal Audit's judgement on the adequacy of management controls in place to manage a particular business risk; and
- where the level of assurance is not considered to be adequate, it is expected that the Audit Committee will take action(s) to increase the level of assurance to an acceptable level, including providing advice to the Vice Chancellor and the University Council.

The outcome of the high level assurance mapping is presented in Table 1 below.

Table 1: Outcome of High Level Assurance Mapping					
University Level Risks	Source and Level of Assurance Provided			Overall assessment of level of assurance	Is level of assurance adequate?
	Divisional Management Controls	Management Committee Monitoring	Internal Audit Activities		Yes/No
1. Loss of/ compromised IT infrastructure, systems or information	High	High	High	<b>High</b>	Yes
2. Loss of/ compromised service delivery due to physical infrastructure failure or degradation	High	Moderate	Low	<b>Moderate</b>	Yes
3. Inability to remain financially sustainable	High	High	Low	<b>Moderate</b>	Yes
4. Inability to maintain research reputation	High	Moderate	Moderate	<b>Moderate</b>	Yes
5. Poor management of staff and student wellbeing and physical safety	High	Moderate	High	<b>High</b>	Yes
6. Ineffective management of controlled entities	Moderate	Moderate	Out of scope	<b>Moderate</b>	Yes
7. Poor operational effectiveness	High	Moderate	Moderate	<b>Moderate</b>	Yes
8. Legislative non-compliance	High	High	High	<b>High</b>	Yes
9. Inability to attract, retain and manage staff	Moderate	Moderate	Moderate	<b>Moderate</b>	Yes
10. Poor management of stakeholder and partner relationships	Moderate	Moderate	High	<b>Moderate</b>	Yes

## G. Principle of Coverage

In developing this Strategic Plan, Internal Audit draws information from the following sources:

- University Level Risk Assessment;
- University Performance Report;
- Input provided by the University Executive Group and the key internal assurance providers;
- Risks identified by Internal Audit;
- Significant audit findings made by Internal Audit and the External Auditor in the past which are under the University Audit Recommendation Follow up process;
- Request from the Vice Chancellor;
- Request from the Audit Committee;
- Request from the Queensland Audit Office; and
- Management assurance activities planned.

Identification and prioritisation of auditable areas are based on a combination of the following factors:

- Importance of the program or activity to the University's objectives;
- Impact of the risks to the achievement of the University's objectives;
- Impact of the risks to meeting legislative/regulatory compliance requirements;
- The potential or expected benefits of an audit;
- Auditability of the risk sources and management control activities;
- The length of time since any previous internal or external audit;
- The Vice Chancellor's preference; and
- The Audit Committee's preference.

In prioritising identified auditable areas within the restraint of the Internal Audit staff time and financial budgets, the Vice Chancellor's preference and the request from the Audit Committee are given priority.

## H. The Internal Audit Activity Coverage

In order to provide a summary view to assist the Vice Chancellor and the Audit Committee to evaluate the adequacy of the level of independent assurance provided to them, the assurance activities provided by Internal Audit within the past three years and planned for the next year is tabulated below. Audit support activities and advisory activities, although consuming significant Internal Audit staff effort, are not included here to underscore the primary role of Internal Audit which is to provide independent assurance within the overall University assurance framework. This Internal Audit Assurance Coverage Table will be maintained on a rolling basis beyond four years in the future which will effectively become a risk based Internal Audit Universe.

Table 2: Internal Audit Assurance Coverage - Four Year Look				
Project Title	2014	2015	2016	2017
<b>Non-discretionary Financial Statement Audits</b>				
JCU Bookshops Financial Statements Audit (Bought by Co-op Bookshop in 2016)	x	x		
JCU Halls of Residence Financial Statements	x	x	x	
Australia Awards Program Audit	x	x	x	x
Australian General Practice Training Programme (established in 2016)				x
Grant Audits	x	x	x	x
<b>Compliance Assurance Engagement in Financial Resource Management</b>				
Expenditure	x		x	
Supplier Selection		x		x
Revenue		x	x	
Research Fund Use				x
<b>Work on Behalf of QAO (separately reported from 2017)</b>				
Details to be confirmed by QAO by mid-2017				x
<b>Compliance Assurance Engagement in Human Resource Management</b>				
Salaries	x		x	
Casual Staff Appointment & Remuneration			x	
Academic Leave				x
<b>Compliance Assurance Engagement in the Academic Core Business</b>				
Coursework Assessment	x			
Review of Non-Standard UG Course Offer Process	x			
Subject Outlines (Third Party Delivery)		x	x	

<b>Legislative Compliance</b>				
Restricted Drugs and Poisons	x			
Compliance Framework implementation			x	x
Hazards and Incidents Reporting and Management				x
Defence Trade Controls Act			x	
<b>Information System</b>				
ICT Disaster Recovery Plan				x
Cyber Security				x
<b>Other Operational Effectiveness</b>				
Fleet and Fuel Cards		x		
Council Election Scrutineering	x	x	x	
Streamlined student visa processing			x	
Field Trip				x
Placement – contingent on the implementation of a University policy/procedure				TBC

For this planning cycle, Internal Audit will continue to operate under a **co-sourced service delivery model**. Under the co-sourced model, Internal Audit activities are performed by a combination of in-house and contract resources. Manager, Internal Audit is responsible for managing relationship with co-sourcing partners and overseeing their performance, in particular, the quality assurance and improvement process. It is expected that the co-sourced service delivery model will help to address the historically high Internal Audit staff turnover and provide specialist auditing expertise in information system and workplace health and safety etc.

Due to the nature of the Internal Audit activities, significant time has been required of Manager, Internal Audit in the management of co-sourcing suppliers, and engagement planning and reporting stage to ensure value for money and work quality are achieved. The difficulties experienced by Internal Audit in 2015 to source specialist skill in the WHS area and the inability for the established local co-sourced service suppliers to provide service under urgent circumstances demonstrate that the effectiveness of the co-sourced service model warrants close monitoring in the medium term. The merger of Crowe Horwath (the QAO Contracted external auditor of JCU) and Moore Stephens (the local internal audit supplier) from 01/07/2016 also resulted in the need to conduct another Expression of Interest process to appoint more suppliers on the panel. The limited number of local firms in the region which have interest, capacity, and diverse auditing skills to provide internal audit services is likely to remain an enduring challenge for JCU to source broad and specialist auditing skill sets.

To mitigate the risk that the Internal Audit Plan will increasingly be determined by the skills and capacity of in-house staff and contracted resources, rather than the assurance need of the University, the effectiveness of the co-sourced service delivery model will be monitored by Manager, Internal Audit. Any significant emerging issues will be brought to the Vice Chancellor's attention.

## I. Review of the Internal Audit Strategies

The implementation of the Internal Audit Strategies (approved by the Audit Committee on 13/11/2014) was acquitted by Manager, Internal Audit in February 2015 and reported to the Audit Committee meeting 2/15 in tandem with the annual report on progress achieved against the Internal Audit Annual Work Plan and the tabling of the Annual Report to the Council on the Audit Committee Activities. The Audit Committee noted the reduced time spent in providing advisory services in 2015 and requested that Internal Audit consider whether Internal Audit has capacity to increase advisory activities as part of the 2017-2019 strategic planning process. In consideration of the requirement to upskill the relatively new Internal Auditor across a broad spectrum and the results of the management consultation, it is proposed that Internal Audit sustain the current level of advisory activities instead of increasing it, so that Internal Audit can maintain the level of the core assurance service provision, and stakeholder engagement such as Manager, Internal Audit's presentation to the Academic Board which is once again requested by its Chair. Internal Audit will continue to be proactive in providing advice on risk and control issues for new program such as Generalist Medical Training (GMT) program as requested.

In light of the positive feedback provided by the Audit Committee, Executive management, QAO, the Chief of Staff and the University General Counsel and Head, Legal and Assurance, about the effectiveness of the Internal Audit meeting stakeholder expectations, the five key Internal Audit Strategies have been reviewed and reworded slightly to reflect the achievement of the milestones set

previously and the outcome desired for the next triennium, with no major changes being proposed in the Table 3 below.

Table 3: Key Internal Audit Strategies	
Key Internal Audit Strategies	What will be achieved
1. Enhance engagement with executive management and direct communication with key stakeholders	<ul style="list-style-type: none"> <li>Formal consultation with University Executives and other assurance providers and key stakeholders such as the Chair of Audit Committee will be conducted as per the current Internal Audit Charter.</li> <li>Internal Audit website will be reviewed annually to publish the information about the roles, services and process of the Internal Audit function, and timely share the approved Internal Audit Strategic Plan and Annual Work Plan with stakeholders including presentation to the Academic Board.</li> </ul>
2. Increase synergy and collaboration with other assurance providers	<ul style="list-style-type: none"> <li>Dedicated resources will be allocated to increase the liaison and consultation with other assurance providers to avoid duplicated assurance effort during the Internal Audit annual and engagement planning processes.</li> <li>The approved Internal Audit Strategic Plan and Annual Work Plan will be shared with other assurance providers as an established practice.</li> <li>A mid-year meeting with the Risk and Compliance Officer and the Chief of Staff, if necessary, will be conducted to obtain an updated view of the University risk profile and assurance commitments.</li> </ul>
3. Sustain advisory activities to add value in preventing control weaknesses and breakdowns	<ul style="list-style-type: none"> <li>Sustain time budget allocation to ad-hoc advisory activities, to add value in preventing control weaknesses and breakdowns.</li> <li>Encourage management to engage Internal Audit in project management and risk and control review activities.</li> </ul>
4. Reduce/automate administrative and reporting burden	<ul style="list-style-type: none"> <li>Enhance the Internal Audit functional and administrative reporting mechanisms to focus on exception-based reporting and streamline the information collection for reporting purposes.</li> </ul>
5. Enhance efficiency of Internal Audit activities by investing in continuous process improvement, professional development, quality improvement and assurance program	<ul style="list-style-type: none"> <li>Embed the quality assurance and improvement program as established in the Internal Audit Manual.</li> <li>Refresh the Audit Command Language (ACL) capacity to ensure that Internal Audit stays abreast with the contemporary auditing approaches and techniques.</li> <li>Close monitoring by Manager, Internal Audit in engagement planning process for both in house and co-sourced audits to minimise the chances of change in audit scope and test procedures.</li> </ul>

## J. Internal Audit Focus Areas and Resourcing

In order to provide the University with the services expected of the Internal Audit, it is matter of principle that Manager, Internal Audit proposes all the activities that Internal Audit, the Audit Committee and other stakeholders consider that should be included, before reflecting on the possible budget available. For this planning cycle, the following activity types are proposed. The level of effort planned to allocate to each category and the resourcing implications are summarised in Table 4.

Table 4: Internal Audit Focus Areas and Resourcing			
Type of Activities	Power Up/ Sustain/ Power Down	Rationale	Resourcing Implication
<b>Compliance</b>	Power Up	<ul style="list-style-type: none"> <li>This is an area that the Vice Chancellor and the Audit Committee traditionally require independent assurance</li> <li>The Compliance Framework is relatively new in terms of implementation</li> </ul>	<ul style="list-style-type: none"> <li>A combination of in-house and out-sourcing will be required, particularly in the areas that require specialist skills such as cyber security and Health, Safety and Environment areas</li> </ul>

<b>Financial</b>	Sustain	<ul style="list-style-type: none"> <li>• Non-discretionary need for independent assurance subject to fluctuation of the number and size of the grants/projects/operations</li> </ul>	<ul style="list-style-type: none"> <li>• Out-sourcing of financial audit has worked well and will sustain for the next three years</li> </ul>
<b>Information Technology</b>	Power Up	<ul style="list-style-type: none"> <li>• Internal Audit will continue to conduct audit over IT governance and general controls</li> <li>• Application controls are typically covered in each individual assurance engagement</li> <li>• Timely assurance efforts are required in response to the fast changing information system risk profile</li> </ul>	<ul style="list-style-type: none"> <li>• Assurance in areas requires specialist skill such as cyber security, and disaster recovery etc. requires co-sourcing funding in the short term</li> </ul>
<b>Audit Support Activities</b>	Sustain	<ul style="list-style-type: none"> <li>• Cost of implementing the strategies relating to the management of the internal audit activities will be sustained over the next few years</li> </ul>	<ul style="list-style-type: none"> <li>• Most activities will need to be undertaken by Manager, Internal Audit</li> </ul>
<b>Advisory</b>	Sustain	<ul style="list-style-type: none"> <li>• Not the primary role of Internal Audit</li> <li>• Such tasks should not be undertaken at the expense of the assurance program and should be at the discretion of the Audit Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Most activities will need to be undertaken by Manager, Internal Audit</li> </ul>
<b>Performance Improvement (Operational)</b>	Power Down	<ul style="list-style-type: none"> <li>• Assurance can be sought from the management assurance providers in form of special project such as Priority Projects</li> </ul>	<ul style="list-style-type: none"> <li>• This is an Internal Audit capacity issue in the medium term due to the current resourcing level</li> <li>• Routine outsourcing is not the best option as performance improvement audit requires intimate corporate knowledge and in-depth process analysis which co-sourcing partners are less likely to be able to successfully provide, without consuming significant Internal Audit resources</li> </ul>

### K. Key Risks to the Internal Audit Strategy

The key risks identified which may affect Internal Audit objectives and proposed mitigating strategies, are tabulated below (Table 5). The risks and mitigating strategies will be monitored by Manager, Internal Audit, and the outcome will be reported to the Vice Chancellor and the Audit Committee.

Table 5: Key Risks to the Internal Audit Strategies				
Risk Event	Caused by	Description of Risk	Mitigating Strategy	Risk Owner
Internal Audit's reduction of capacity in fact or in appearance	Small size of the in-house Internal Audit team (2 positions) and the uncertain co-source funding level	This may lead to Internal Audit losing influence within the University community and weaken the governance and control effectiveness	Closely monitor the effectiveness of the Internal Audit function and provide timely advice to the Vice Chancellor regarding structure of the Internal Audit function and the funding level in light of the University's assurance needs	Audit Committee

Lack of sufficient technical supervision to the Internal Auditor position while Manager, Internal Audit is on leave	Lack of a Senior Internal Auditor position	This may lead to high stress level when supervisory support is not timely available, and potentially reduced quality of assurance provided	An established panel of co-sourcing service suppliers which can provide timely advice and supervisory review	Manager, Internal Audit
High Internal Audit staff turnover rate	Limited progression opportunity within the small Internal Audit team	This may lead to loss of the highly desired specialist skills and corporate knowledge	Adjusting task allocation to the Internal Auditor and contract resources, to ensure that there is an opportunity for Internal Auditor to develop high level skills and future job re-evaluation	Manager, Internal Audit
Inability to achieve audit objective(s) for some engagements	Insufficient understanding of the University governances, risk and control frameworks and culture, by the contracted resources	This may lead to insufficient/incorrect assurance being provided to the Vice Chancellor and the Audit Committee	Active oversight of the contractor's quality assurance and improvement procedures	Manager, Internal Audit

#### L. Performance Measure

In keeping with the University planning and performance management framework, Internal Audit's performance is gauged by the following key performance indicators:

1. Percentage of completion of the programmed audits to draft report stage for assurance activities (an OPT);
2. If applicable, result of the University wide survey of the Internal Audit services;
3. Feedback from the Vice Chancellor;
4. Feedback from the Audit Committee;
5. Feedback from Queensland Audit Office; and
6. Result of the external assessment.

<b>Version</b>	29/11/2016 Version - with amendment to incorporate the minor feedback from stakeholders and the approval of the reviewed strategies in Table 3
<b>Prepared by:</b>	Maria Mu, Manager, Internal Audit
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• Prof. Sandra Harding, Vice Chancellor and President</li> <li>• Mr Graham Kirkwood, Chair of Audit Committee</li> <li>• Prof. Stephen Naylor, Chair of Academic Board</li> <li>• Ms. Stephanie Hunter, on behalf of Prof. Chris Cocklin, SDVC</li> <li>• Ms Tricia Brand, DVC, Services and Resources</li> <li>• Prof. Ian Wronski AO, DVC, Tropical Health and Medicine</li> <li>• Prof. Iain Gordon, DVC, Division of Tropical Environments and Societies</li> <li>• Prof. Sally Kift, DVC, Academic</li> <li>• Prof. Robyn McGuiggan, DVC, Global Strategy &amp; Engagement</li> <li>• Mr Jim Tan on behalf of Prof. Dale Anderson, DVC, JCUS</li> <li>• Ms. Vanessa Cannon, Chief of Staff</li> <li>• Ms. Fiona Macdonald, University General Counsel and Head, Legal and Assurance</li> <li>• Ms. Vicki Hamilton, Director, Quality, Planning and Analytics</li> <li>• Mr Brett Dinsdale, Divisional Executive Officer, Division of Services &amp; Resources</li> <li>• Queensland Audit Office</li> </ul>
<b>Date Preliminary Approval provided by the Vice Chancellor</b>	03/11/2016
<b>Date Formal Approval provided by the Audit Committee</b>	17/11/2016