



IR

Interne Revision
Internal Audit

TU Wien

Audit Regulations

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1 Preamble

Internal Audit (IA) is a key function of the Rector's Office that is mainly concerned with auditing, advice and control. It checks whether states or processes are dealt with correctly. In particular, it observes the requirements of legality, transparency, expediency, efficiency and economy, which are also mentioned in Section 15 of the Universities Act (UG) as key budgetary principles.

IA performs audits on the basis of the applicable provisions of the Internal Control System.

IA provides independent and objective auditing and consulting services aimed at creating added value and improving business processes. It supports the organisation in achieving its objectives by using a systematic and goal-oriented approach to assess the effectiveness of risk management, controls, management processes and monitoring processes and helps to improve them.

When carrying out audit assignments, IA staff act in accordance with the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditing Austria (IIA Austria)¹.

2 Position of IA within the organisation

IA reports directly to the Rector and is independent of other organisational units.

3 Powers of IA

IA has the unlimited right to obtain information for auditing purposes. Within the scope of its tasks, it may inspect all documents and demand that all information necessary to the performance of its tasks be provided to it without delay and that facilities and other property be made available to it.

In addition, all employees of TU Wien are obliged to provide information and data as part of an ongoing audit process without necessarily consulting the responsible head of department beforehand. Every employee is to provide IA with necessary and appropriate support in a timely, truthful and complete manner.

As an independent body, Internal Audit is entitled to receive reports, especially if they mention actions or omissions that could lead to significant economic damage or loss of reputation for TU Wien.

¹ See: International Standards for the Professional Practice of Internal Auditing

If there is well-founded suspicion of acts, omissions or events that could lead to significant economic damage or loss of reputation for TU Wien, IA may also conduct audits at its own discretion. In such cases, IA must immediately inform the Rector of its intention to conduct an audit. If this justified suspicion concerns the Rector or the Rector's Office, the Chair of the University Council must be informed.

The head of IA is informed about the results of meetings of university bodies and about all important events and projects – insofar as relevant to IA – beyond the officially published announcements.

IA is given read access to all databases and control and information systems.

IA is entitled to obtain information on external audit projects and audits. Such information includes the respective mandates, including a description of the mandate and the resulting external audit reports. This also applies to the audit of the financial statements and the auditor's management letter.

4 Tasks of IA

IA performs its tasks in consultation with the Rector.

It examines the legality, efficiency, expediency and transparency of internal processes in all areas of TU Wien on the basis of the actual situation. The purpose of the audit is to detect deviations from lawful procedures and weaknesses in the operation of processes and to provide impetus for their elimination and future avoidance. The activities of IA should be perceived as support by the parties involved.

IA has the following tasks in particular:

- Verifying compliance with the principles of legality, efficiency, expediency, economy and transparency (according to Section 15 (2) UG)
- Ensuring compliance with legal requirements and other binding regulations and contractual obligations of TU Wien
- Analysing processes and formulating safeguarding and improvement proposals
- Conducting special and ad hoc audits
- Analysing, checking and assessing the effectiveness of risk management
- Examining the effectiveness and reliability of the Internal Control System (ICS) and information processes
- Random checking of accounting operations including checks on supporting documents
- Making recommendations and, where appropriate, giving advice on the implementation of recommendations
- Assessing the effectiveness and efficiency of controls

IA provides advisory services to TU Wien on the instruction of the Rector. These are carried out in the form of projects which seek to achieve goals previously defined between IA and the engaging party. These may not include management tasks or other operational activities not related to auditing. Auditing services and advisory services of IA must be clearly distinguished from each other.

IA supports the Rector in answering queries, especially those of the Court of Auditors.

In order to carry out its auditing and advisory activities, IA may, in accordance with the requirements of the annual audit plan, make use of expert and independent third parties in consultation with the Rector or at its own discretion.

5 Competence of IA

The competence of IA extends to all areas of the university, i.e. all of the university's internal facilities, projects and processes. The auditing and advisory activities of IA also include those institutions in which TU Wien holds more than 50% of the shares. Furthermore, the Rector may directly commission auditing and/or advisory activities for institutions in which TU Wien's shareholding is less than or equal to 50%. The activities of IA must be agreed with all shareholders of the entity to be audited.

6 Audit planning

In consultation with the Rector and the members of the Rector's Office, IA prepares a risk-oriented annual audit plan before the beginning of each financial year. This annual audit plan is approved by the Rector's Office and the University Council.

In addition to these scheduled auditing activities, IA conducts special audits on the instruction of the Rector.

If IA makes use of its authority to conduct audits at its own discretion on the basis of its own observations or on the basis of reports of alleged or actual maladministration by university members or third parties, the Rector must be informed immediately. If this justified suspicion concerns the Rector or the Rector's Office, the Chair of the University Council must be informed.

7 Audit process

IA develops and documents a plan for each assignment, which includes the objectives, scope, timetable and allocated human resources.

The person responsible for the audit area will be notified of the planned audit within a reasonable period of time before the start of the audit, unless this will jeopardise the purpose of the audit.

During an initial meeting, the person responsible for the audit area is presented with the audit topics, the timetable is agreed and organisational issues regarding the audit are clarified.

The audit process involves identifying, recording, analysing and evaluating information on site and making recommendations.

IA prepares independent and objective audit reports on the basis of the knowledge gained. It is responsible for ensuring that material risks, deficiencies and errors are included in the audit report. Where findings are presented, these must be supported by facts.

The report is discussed with the person responsible for the audit area in order to address the findings of IA. The person responsible for the audit area has the opportunity to comment on the report or on the recommendations.

The audit report including comments is submitted to the Rector's Office. The results of the audit and the recommendations are discussed in a joint final meeting with the Rector's Office and the person responsible for the audit area. The Rector decides on the measures to be implemented, appoints a person responsible for this and determines the timing of implementation. Implementation of the measures thus becomes binding.

The persons responsible for implementation inform IA about the implementation and its results. Completion of the measures resulting from the audit reports is monitored and reported upon by IA in the form of a follow-up procedure. As part of this procedure, IA determines whether the recommendations made have been implemented in a timely manner and whether the desired results have been achieved.

IA is obliged to ensure traceable documentation of the audit process and of the audit results obtained.

The audit reports and documentation must be kept for 10 years.

8 General reporting

Once a year, IA submits an activity report on the past financial year to the University Council and the Rector's Office.

The University Council is entitled to request information from IA at any time about current or completed audits.

9 Independence and objectivity

The auditors are not subject to instructions from staff of the audit area to be audited, nor do the auditors have the right to issue instructions to them. All decisions based on the findings made by IA are reserved for the competent bodies in accordance with the published Directives.

The responsibility of decision-makers is not affected by the activities and findings of IA.

Auditors may only take part in audits where their objectivity and independence are ensured. In order to ensure their independence and objectivity, auditors may not participate in audits of activities for which they were responsible one year or less before the audit. Nor may they participate in audits involving persons closely associated with them.

10 Non-disclosure

IA staff are obliged to maintain secrecy about all matters of which they become aware in the course of their work, without prejudice to the reporting obligations set out here.

The head of IA may only inform external parties of the audit findings with the agreement of the Rector.

11 Professional competence and due diligence

Assignments are to be carried out with professional competence and due diligence. Auditors must apply the level of care and expertise normally expected of a prudent and competent auditor.

Overall, IA must have or acquire the knowledge, skills and other qualifications necessary to fulfil the responsibilities of the department. Auditors extend their knowledge, skills and other qualifications through regular professional development. The resources needed for this purpose are made available as part of the budget planning.

The head of IA can obtain competent advice and support from internal or external experts if necessary to fulfil the audit assignment. If costs are incurred due to external experts, agreement shall be reached with the body responsible for IA finances.

IA also maintains contacts with other national and international university audit departments in order to share experience.

12 Quality assurance

The head of IA develops and maintains a quality assurance and improvement programme that covers all of IA's task areas and continuously monitors its effectiveness. It is designed to ensure that IA operates in accordance with generally accepted auditing standards and the Code of Ethics².

A procedure is used to monitor and assess the overall effectiveness of the quality programme, which includes both internal and external evaluations. A quality review by external experts must be carried out at least every five years.

In addition, the head of IA checks the applicable Audit Regulations to ensure that they are appropriate and up to date and amends them accordingly if necessary.

13 Entry into force

After approval by the Rector's Office and the University Council, the Audit Regulations are published in the TU Wien newsletter. They enter into force on the day following their publication in the newsletter.

Approved by the Rector's Office on 06/09/2016

Approved by the University Council on 13/10/2016

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² See: International Standards for the Professional Practice of Internal Auditing