

Internal Audit Charter

I. Purpose

Dyersburg State Community College (DSCC) is an institution of the Tennessee Board of Regents (TBR) system. The system is governed by the Board of Regents, consisting of 18 members (the Board) as determined by state law. The TBR Audit Committee is a standing committee of the Board. In accordance with the “State of Tennessee Audit Committee Act of 2005,” the System-wide Chief Audit Executive reports directly to the Audit Committee and the Board and oversees the internal audit operations. DSCC employs an internal auditor in accordance with TBR policy.

II. Scope

Internal Audit’s review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at DSCC. In the course of its work, Internal Audit has full and complete direct access to all DSCC books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information given to Internal Audit during their work will be handled in the same prudent manner that DSCC expects of the employees normally accountable for them.

Internal Audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

III. Policy

Internal Audit is an independent objective assurance and consulting activity designed to add value and improve DSCC’s management systems. Internal Audit helps DSCC accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit assists DSCC’s management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls. DSCC’s management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

Responsibility and Role

TBR Policy 04:01:05:00, *Internal Audit*, states the internal audit function contributes to the improvement of the institution's operations by providing objective and relevant assurance regarding risk management, control, and governance processes to management and the Board. The internal auditors’ responsibilities include:

1. Working with management to assess institutional risks and developing an audit plan that considers the results of the risk assessment.
2. Evaluating institutional controls to determine their effectiveness and efficiency.
3. Coordinating work with external auditors, program reviewers, and consultants.
4. Determining the level of compliance with internal policies and procedures, state and federal laws, and government regulations.
5. Testing the timeliness, reliability, and usefulness of institutional records and reports.
6. Recommending improvements to controls, operations, and risk mitigation resolutions.
7. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.
8. Evaluating program performance.
9. Performing advisory services and special requests as directed by the Audit Committee, the Chancellor, or the institution's President.

Organizational Status/Reporting Structure

In accordance with T.C.A. 49-14-102 and TBR Policy 4-01-05-00, *Internal Audit*, the Director of SWIA reports directly to the Audit Committee and the TBR. DSCC's Director of Internal Audit reports to the President with audit reporting responsibility to the Audit Committee and the Board through the System-wide Chief Audit Executive.

The internal auditing services provided by Internal Audit are reported directly to the President/Chancellor and the TBR Audit Committee. All audit work is summarized in timely written reports distributed to management to ensure that the results are given due consideration. In addition to management, reports or summaries are distributed to all members of the Audit Committee and to the State of Tennessee, Comptroller's Office. Management is provided a discussion draft of the audit report prior to the report being issued. Internal Audit is responsible for a timely follow-up on audit findings to ascertain the status of management's corrective actions.

Audit Standards and Ethics

The Internal Audit function adheres to The Institute of Internal Auditors' (IIA) Global Internal Audit Standards (T.C.A. § 4-3-304(9)). The Institute of Internal Auditors, International Professional Practices Framework (IPPF), includes the Global Internal Audit Standards, the Topical Requirements, and the Global Guidance. It includes the following definition of internal auditing:

Internal Auditing is an independent, objective assurance and advisory service designed to add value to and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

IV. Compliance

This charter will be periodically assessed by the Director of Internal Audit to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated to senior management and the Audit Committee.

V. Definitions

Definitions are provided in the body of the policy.

VI. Revision History

Policy written November, 2012; approved by Administrative Council on 12/14/2012. Reviewed and approved by Administrative Council on February 20, 2025. Reviewed and approved by Administrative Council on 9/24/2026.