



## **INTERNAL AUDIT POLICY**

---

**Effective Date:** April 28, 2003

**Revised Date:** February 1, 2022

**Responsible Office:** Internal Audit

**Division:** Internal Audit

---

### **I. PURPOSE/OBJECTIVE**

- To provide independent, objective assurance and consulting services designed to add value and improve the University's operations. As well as help, the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- To ensure that the Office of Internal Audit is appropriately staffed to effectively fulfill its role.
- To ensure that University staff provides cooperation to the Office of Internal Audit by addressing requests and providing documents in a timely manner.
- To ensure that responses to Internal Audit reports are made in a timely manner.
- To support the University's administration and the Audit Committee of the University of Louisiana System in the effective discharge of their responsibilities by promoting integrity and compliance in all University operations.

### **II. STATEMENT OF POLICY**

#### **A. Internal Audit's Role**

1. The Office of Internal Audit will provide an independent appraisal of the University's activities reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with institutional policies and government laws and regulations.
2. The Office of Internal Audit will furnish analyses, recommendations, counsel, and information concerning the activities reviewed.
3. The internal auditing staff shall perform the audit in accordance with the standards for the professional practice of internal auditing that govern the tests of accounting records and other procedures that are considered necessary in each circumstance.

4. The Office of Internal Audit's *Internal Audit Manual* which includes the Internal Audit charter and organizational chart, summary of essential internal controls, operating policies, and the internal audit process can be found on the Internal Audit website at <https://www.gram.edu/offices/internalaudit/>

**B. Internal Audit Resource Management**

1. The Director of Internal Audit shall provide for appropriate staffing by actively seeking qualified candidates via advertisements on the University's web site, local and regional newspapers, related professional publications, and professional networking.
2. The Director of Internal Audit shall utilize interview committees to assist in the assessment of those candidates.
3. Due to the criticalness of the office, an effort to maintain the level of staffing will be accomplished by requesting a "2 weeks' notice" for resignations from all members of the Office of Internal Audit.

**C. Internal Audit Requests**

1. The Office of Internal Audit shall have full access to any and all records maintained by the University.
2. In most cases, the Office of Internal Audit will submit a request to examine a record in writing, but a written request is not required for access to University records.
3. The Office of Internal Audit shall also make unannounced visits to departments and examine specific records on site (e.g. cash counts).
4. The Office of Internal Audit may, but is not required to disclose to staff the specific reason for examining a record of the University.

**D. Responses to Internal Audit Reports**

1. Internal Audit shall present and discuss a report draft with appropriate staff in an exit meeting at the end of an internal audit project (i.e. audit, follow-up, or special project).
2. The Department Head and/or appropriate Vice President shall typically have seven (7) working days after being presented the report draft to respond to findings/recommendations.
3. The respondent should complete the *Management Response Form* or *Chart of Observation* indicating agreement or disagreement with the recommendation and provide the corrective action which should include the following:
  - i. Specific actions to be taken to meet the objectives;

- ii. The individual who will be responsible for implementing the action plan; and,
  - iii. An estimated completion date.
4. The management response will become a part of the final report that will be issued by the Office of Internal Audit to the University President and the Director of Internal and External Audit for the University of Louisiana System Office as well as other appropriate University management.
5. The Office of Internal Audit assists the University by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity.
6. If management's response indicates they will not take the recommended corrective action, **management assumes all risks**. The Director will determine if the level of risk is acceptable. If the Director believes that senior management has accepted a level of residual risk that may be unacceptable to the organization, then he/she will discuss the matter with senior management and obtain an explanation. If the decision regarding residual risk is not resolved, then the Director and senior management should report the matter to the Board of Supervisors for resolution.

### **III. PROFESSIONAL STANDARDS**

The Office of Internal Audit will conduct their activities in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)* and the Institute of Internal Auditors' *Code of Ethics*.

### **IV. REVISION/REVISED HISTORY**

February 1, 2022 – Revision Date

April 28, 2003 – Effective Date