



Internal Audit Policy and Procedures

Policy #	Origination Date	Responsible Office	Status	Approval Date
09-07-01	01-12-09	Internal Audit	Approved	

Policy Statement

The Office of Internal Audit is to provide independent, objective assurance, and consulting services designed to add value and improve the operations of Dillard University. The objective of Internal Audit is to assist all members of management and the Board of Trustees in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed.

Reason for Policy/Purpose

To define the purpose, authority, and responsibilities of the Office of Internal Audit and establish the principles and framework that govern it.

Who Needs to Know This Policy

All members of the university, including the university’s faculty, staff, and Board of Trustees.

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Policy/Procedures

Internal Audit Authority and Function

A. Authority

The Office of Internal Audit derives its authority directly from the Board of Trustees and the President and is authorized to conduct such reviews of university organizational units or functional activities as are necessary to accomplish its objectives. Internal Audit has authorized access to all records, personnel, and physical properties relevant to the performance of audits.

B. Function

The Office of Internal Audit is charged with the responsibility of reviewing the fiscal operational and administrative operations of the university. It is intended to be a protective and constructive link between policy-making and operational levels. Based on audit findings, Internal Audit shall make a report to the Audit Committee of the Board of Trustees and the President, which shall include recommendations for improvements in internal control and/or operating efficiency.

Scope

The scope of internal audits encompasses the examination and evaluation of the adequacy and effectiveness of internal controls and the quality of performance in carrying out assigned responsibilities. Included within this scope are:

- A. Reviews of the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information. Reviews may involve objective standards, such as generally accepted accounting principles, or subjective standards, such as sound business and management practices.
- B. Reviews of the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations to determine if compliance is adequate.
- C. An evaluation of the means employed to safeguard assets.
- D. Verification and valuation of department assets.
- E. Evaluation of the effectiveness and efficiency with which resources are employed.
- F. An evaluation of the accomplishment of established objectives and goals.

Responsibilities

Responsibilities of the Internal Audit Department include:

- A. Development of an orderly program for the audit of selected university departments or functional activities.
- B. Conduct of audits in accordance with standards established for the professional practice of internal auditing.
- C. Timely communication to appropriate officers of any serious deficiencies noted in an audit.
- D. Preparation of a formal report of findings, conclusions, and recommendations upon completion of the audit.
- E. Review of the implementation of recommendations or of other actions taken as a result of the audit.

Standards of Audit Practice

Internal Audit staff members are responsible for conducting themselves so that their integrity, objectivity, confidentiality, and competency are not open to question. Standards of professional behavior are based upon the Code of Ethics adopted by the Institute of Internal Auditors (IIA) Board of Directors on June 17, 2000.

Internal Auditors will possess the educational background, qualifications, and competencies commensurate with their level of responsibility.

Audit Procedures

A. Opening Conference

Internal Audit will ordinarily provide advance notice of the audit to the department head and other responsible administrators. An opening conference will be arranged where specific audit objectives, plans, and procedures will be discussed. Surprise audits may also be undertaken, if appropriate in the circumstances.

B. Conduct of Fieldwork

Audit fieldwork consists of interviews with responsible employees, observation of procedures, examination of documentation, and other audit or analytical procedures considered necessary in the circumstances. Audit observations and tentative findings and recommendations will normally be discussed with responsible employees of the audited department throughout the course of fieldwork.

C. Closing Conference

A closing conference will be held in which a preliminary draft of the audit report will be reviewed, any differences of fact or interpretation discussed, and any appropriate corrections or revisions made.

D. Response to Final Audit Report

1. Within a reasonable time following the audit, normally not to exceed two weeks, the head of the audited department shall deliver a written response to the Director of Internal Audit.
2. With respect to each finding and recommendation, the response should indicate:
 - a. A statement of agreement or disagreement. If disagreement, specific provisions of the report to which exception is taken should be identified; and
 - b. A concise statement of actions undertaken or planned in response to the recommendation, as well as a timetable for implementation.

E. Final Audit Report

After considering the responses of the audited department head and the vice president, and after making any changes which may be appropriate, the final audit report shall be submitted to the President, with copies to the Audit Committee of the Board of Trustees, the vice president of the audited department(s), and departmental supervisor, manager, and/or assistant vice president. A copy of the responses of the department head and the vice president will be included in the final report.

F. Compliance Review

1. Within a reasonable time following the release of the audit report, ordinarily within six (6) months, the Office of Internal Audit will conduct a review of actions taken in response to the audit report. At the completion of the review, a compliance report will be distributed to those who received the original audit report. The compliance report will state if appropriate steps have been initiated by the audited department and will identify any items where further action is considered necessary.
2. If the report indicates substantial noncompliance, the vice president shall investigate the reasons for noncompliance and submit a letter of explanation and resolution to the President, with a copy to the Internal Auditor who will submit the letter to the Audit Committee of the Board of Trustees.

Website Address for this Policy

Dillard University's Intranet

Contact(s)

For questions about this policy contact:

Director of Internal Audit
Office (504) 816-4039
Fax (504) 816-4510
InternalAudit@dillard.edu

Related Information

The Institute of Internal Auditors at <http://www.theiia.org/>