**OUR MISSION**

To provide independent and objective assurance and consulting services designed to add value and improve the University’s operations, and to help the University accomplish its objectives by bringing a systematic, disciplined approach for evaluating and improving the effectiveness of risk management, control, and governance processes.

**RESPONSIBILITIES**

* Perform reviews of University operations and programs to assess the efficiency and effectiveness of resource use, and to determine if the results of operations are consistent and aligned with the University’s strategic goals.
* Review the University’s system of internal controls to ensure the controls are adequate and operating effectively. Assess level of compliance with applicable state and federal regulations, and generally accepted accounting principles.
* Provide management advisory services during the planning, design, development, and post-implementation of significant business processes, operational changes, and computer applications to ensure adequate consideration is given to internal controls design, documentation, and monitoring.
* Perform audits and other types of consulting activities as requested by management.
* Investigate reports of misuse or misappropriation of assets, fraud and waste.
* Provide fraud and internal control training to support the University’s organizational development and learning initiatives.

**RISK ASSESSMENT/SCHEDULING**

A biennial audit plan (the Plan) is prepared detailing internal audit’s budgeting and planning processes. The Plan outlines audit goals, schedules, staffing needs, and reporting. It reflects the results of risk assessment processes and consideration of the resources required to provide ongoing and consistent audit service to management. The Plan (and significant departures from the Plan) is coordinated with the Idaho State Board of Education’s (SBOE’s) Audit Committee and the University’s internal Audit Committee. Status of planned versus actual audits is provided to the internal Audit Committee periodically.

**THE AUDIT PROCESS**

***Advance Notice***

As a general rule, Internal Audit coordinates the audit in advance with management. We attempt to provide departments selected for review with a one month notice of the tentative date of the audit, however, in some circumstances, providing advance notice is not possible, such as when an audit needs to be conducted on a “surprise basis” for effectiveness. An entrance conference at the audit start provides the auditee with an understanding of the objectives of the audit, the audit process, the type of records that should be available for review, and the estimated length of the audit process.

Management is encouraged to discuss any specific concerns about areas of operations that they would like covered in the audit.

***Field Work***

Audit fieldwork includes interviews with staff, review of records and other documents, and analytical analysis of accounting data. Interviews are conducted to gain an understanding of business processes and operating practices. Managers should respect the privacy of these conversations and not ask employees to discuss the nature of their communications with the audit staff. Compliance testing and tests of controls will be conducted throughout the year without advance notice. Internal Audit recognizes that staff workloads may interfere with timely responses to requests for support, and in those cases, we ask the recipient to communicate with us to establish an alternate due date.

***Communication During the Review***

Internal Audit provides frequent updates on the status of the audit in an attempt to keep the department informed of the audit process to the extent that our business practices allow. We also provide information on audit issues as they are identified as part of our audit process.

***Audit Completion***

The audit report summarizes the results of our audit or review. A draft copy of the report is given to management only for review and comment prior to our issuance of a final report. It is not appropriate to copy or disseminate the draft report without prior approval of the Director of Internal Audit. Management is encouraged to review the report carefully for misunderstandings and verify that our conclusions are factual and complete.

The final report is presented at an exit conference at which time management is welcome to bring additional information in response to audit conclusions. The final report includes management’s responses to the audit issues and recommendations, and is distributed to the internal Audit Committee who will review the report and distribute it to the University President. The President distributes hard copies of reports to individuals responsible for corrective actions. The reports have control numbers and should not be copied or disseminated. Individuals who want a copy of an audit report must request a copy in accordance with Public Record Request Procedures (Administrative Procedures Manual 65.03)

Summaries or copies of audit reports will be provided to the SBOE Audit Committee as requested.

***Feedback to Internal Audit Staff***

The audit staff will ask you to complete a customer satisfaction survey to provide us with feedback as a means of improving and refining our processes. The survey, included with your copy of the final report, is designed to assess the efficiency of our review process and performance in key areas such a scheduling, communication, and reporting. We welcome all comments in the spirit of continuous process improvement and improving quality of service.

***Follow-up Reviews***

Follow-up reviews are generally performed in the year following the initial audit to assess the adequacy and effectiveness of corrective actions implemented as a result of audit recommendations. You will be asked to provide corrective action status reports to the Internal Audit Committee who is responsible for monitoring outstanding audit issues.

**POTENTIAL BENEFITS OF AN AUDIT**

* Provides cost-effective business risk analyses.
* Assists managers in the development of strong internal governance processes.
* Provides assurance on compliance.
* Evaluates business process to identify efficiencies in operations.

**AUTHORITY**

Internal Audit reports administratively to the President of the University and functionally to the SBOE Audit Committee. The structure of the reporting relationships assure departmental independence, promotes comprehensive audit coverage, and assures appropriate consideration of audit recommendations.

***Visit our Web Site at: www.auditing.uidaho.edu***

Administration Building – Room 322

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**INTERNAL AUDIT SERVICES**

*Our Mission*

*Responsibilities*

*Risk Assessment/Scheduling*

*The Audit Process*

*Potential Benefits of an Audit*

*Authority*

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