

**Central Washington University
The Department of Internal Audit**

Mission and Goals

Unit Mission

The Department of Internal Audit serves university management in the effective discharge of their duties by examining and evaluating operations and activities to provide independent risk assessments, analyses, appraisals, recommendations, counsel, information and assistance. We conduct our activities in accordance with the guidelines outlined in the Standards for the Professional Practice of Internal Auditing. We are obligated to maintain high standards of competence, objectivity and integrity in the performance of our duties and responsibilities.

Goals, Objectives and Strategies

- I. Assist management in measuring and assessing their risks, responsibility, performance and operations by reviewing and reporting system strengths and weaknesses to aid in achieving their objectives and effectively discharging their duties.
CONTINUING (4,9)
 - A. Review financial and operating activities to identify, measure, classify, and report strengths and areas needing improvement.
 1. Maintain a comprehensive audit plan to cover areas of risk and allow for contingencies.
 2. Conduct financial operational and compliance audits.
 - B. Evaluate subsidiary computer systems for access and security controls, data integrity, programming documentation, archival of data records, and reconciliation of data to the main systems.
 1. Conduct systems audits.
 2. Provide guidance, training, and assistance to departments implementing updated computer system processes based on our audit recommendations.
 - C. Respond timely to management requests.

Prioritize work, follow a comprehensive audit plan and allow for contingencies.

D. Review operations or programs to ascertain results are consistent with established goals and objectives.

1. Conduct financial and operational audits.
2. Facilitate corrective action to implement audit recommendations.

E. Enhance management's awareness of their responsibility for effective internal control systems. Assist with the identification of relevant risk factors and their significance within management's area of influence.

1. Educate management on internal controls and communicate with management to identify and mitigate risks.
2. Direct audit reports to the level of Vice President.
3. Provide educational information via the Internal Audit web site.

II. Prevent loss of university resources as a result of improper actions and prevent damage to the university's reputation as a result of negative publicity by verifying asset existence and ensuring safeguards are operating. CONTINUING (9,10)

A. Safeguard and verify existence of assets to prevent loss or unauthorized use of state resources.

1. Count petty cash, change funds, and cash receipts on a periodic basis.
2. Verify the existence of assets; such as inventory, equipment, receivables, and investments.

B. As appropriate, investigate complaints of misuse or personal use of university resources.

1. Notify campus community of whistleblower policies and procedures.
2. Provide resources on the web regarding improper use of university resources.
3. Through research and training, remain current regarding state and university guidelines for ethics, travel, compliance and reporting issues.

C. Continue to monitor long distance charges, travel, payroll, and petty cash disbursements for compliance with state and university laws and regulations.

1. Conduct periodic sampling of phone charges, travel vouchers, payroll transactions and petty cash transactions and review for compliance with applicable policies and procedures.

2. Continue to develop automated processes to monitor expenditures more effectively and efficiently.

D. Select for review those areas affected by structural organization changes, employee turnover and management reorganization.

1. Review the activity of the BOT, President cabinet, Faculty Senate, Student Affairs, and other groups to determine areas of concern and change.

2. Maintain awareness of campus activities and climate through participation on various committees.

III. Promote economy and efficiency in the use of university resources by utilizing qualified staff and technologically current computer auditing techniques. CONTINUING (1,3,7,10)

A. Prepare permanent audit files for departments, systems, procedures and basic operations to support trend analysis, activities, and computer auditing techniques.

B. Continue to develop technologically current computerized audit procedures (exception reporting, data dumping, and sampling techniques) within the main and subsidiary computer systems.

1. Subscribe to electronic software informational services.

2. Continue to test the latest software functions for more efficient manipulation processes.

3. Continue to network with other software professionals.

4. Determine and utilize various computer system audit reporting capabilities.

C. Develop, train, and supervise qualified staff including the student intern to maintain high professional standards.

1. Encourage attendance at appropriate training

sessions and university classes.

2. Develop individual staff education and development plans, including leadership skills development for the Director.

3. Utilize Human Resources training library of videos and tapes.

4. Attend Human Resources sponsored training programs.

D. Coordinate audit activities with State Auditor's Office to ensure adequate audit coverage and minimize the duplication of efforts.

1. Meet with State Auditor for planning and information sharing during the annual audit.

2. Share our comprehensive audit plan with State Auditor's Office.

E. Network with other university internal auditors to obtain current programs, best practices and procedures.

1. Attend the annual conference of Association of College and University Auditors.

2. Continue to monitor and contribute to the professional list serve.

3. Continue to host or attend semiannual state university internal auditor meetings.

F. Update departmental filing, archiving and resource library to support current organization, comprehensive audit plan, and audit activities.

G. Manage auditing activities by utilizing dynamic comprehensive audit plan based on assessed risk, cost effectiveness, and management requests.

1. Develop comprehensive audit plan.

2. Maintain time reporting to document and monitor our audit activities.

3. Maintain comprehensive audit plan, time reporting, audit log and files.

H. Participate in a Self-Assessment to determine compliance with internal audit standards.

Completed Peer Review September 25, 2000.

IV. Ensure reliable financial accounting and reporting in compliance with appropriate federal, state, and university laws and regulations.
CONTINUING (9)

A. Through correspondence, enhance campus-wide awareness of audit issues and changes in regulations applicable to management operations and activities.

1. Maintain a web-based information service home page.
2. Publish information and ethical compliance updates in the campus bulletin.

B. During operational and program reviews, monitor financial reporting to ensure compliance with the Office of Financial Management guidelines.

1. Conduct expenditure compliance review of activities.
2. Review financial reporting to determine compliance with OFM guidelines.

C. Provide timely response to management requests for counsel, changes in procedures, operations, and activities to ensure compliance with appropriate regulations.

1. Plan and prioritize audit activities.
2. Provide prompt response to inquires.

D. Actively participate in university committees to provide input and promote communications.

Planning and Effectiveness

Planning Process

Our comprehensive audit plan is formulated by analyzing the components of each unit or department across campus and assigning a level of risk to the component.

Audit priorities are based on those areas of highest risk and those areas where audit assistance is requested. Audits are also coordinated with the State Auditors to ensure the broadest coverage possible.

Evaluation Strategies

In the broadest sense, evaluation of the plan requires periodic review of the goals, objectives and strategies that have been established.

We evaluate our strategies by reviewing the contact we have with the rest of the campus community. Are administrators or others calling with questions? Are they coming to us for information before making a decision? Are the recommendations detailed in audit reports being implemented? We also review our internal processes. Are we continuing to explore new techniques and methods to review the mass of data that we audit? Are we staying aware of new developments? We observe the results of outside audits. Have there been major findings from the State Auditor's Office, or other outside audits?

Application of Results

The Department of Internal Audit's focus is based on priorities. As audits are completed, audit coverage is maintained and audit exposure to the campus is enhanced. As a result, Internal Audit staff become more experienced and aware of the issues that effect the university. With experience, advanced procedures are designed and utilized.

Accomplishments

1. Related to Goal 1: Assessing Management Performance
 - a. Completed and reported on various limited reviews.
 - b. Investigated and reported various allegations regarding compliance issues and management performance.
2. Related to Goal 2: Stewardship and University Reputation
 - a. Verified existence of cash and other assets for financial reporting purposes.

b. Investigated and reported various complaints related to misuse of university property.

3. Related to Goal 3: Functional Effectiveness

a. Provided technical assistance to departments as requested.

b. Assisted State Auditors Office by completing reviews, procedures, and Whistleblower investigations.

c. Actively networked with other university auditors for current programs, procedures, industry standards and best practices.

d. Participated in the conferences and workshops to enhance personal skills.

e. Utilize data extraction (query) methods to gather documentation for audit samples and testing.

4. Related to Goal 4: Compliance and Financial Reporting

a. Advised management regarding financial, compliance and policy issues

b. Provided guidelines and technical references on our internal audit website.

c. Provided input on computer system implementation teams.

Adequacy of Financial Resources

The department's financial resources have been sufficient to carry out stated objectives.

Computing Plan

Computers in the department were replaced or upgraded as needed. No other acquisitions or upgrades are planned. The department is on the Mitchell server, printing devices are shared. The server capacity is limited. Our needs are expanding as more computerized auditing techniques are developed.

GOVERNANCE AND ADMINISTRATION

1. See organizational chart

2. See position descriptions

INSTITUTIONAL INTEGRITY

Conflict of Interest. The Board of Trustees has taken the following steps to assure that the internal audit function has sufficient independence to accomplish its audit responsibilities.

The Director of Internal Audit reports to the President.

Periodic summaries of internal audit activities are reported to the President and the Board of Trustees.

Resolution number 95-09 was adopted to recognize the Department of Internal Audit.

Fair Treatment. The Department of Internal Audit is committed to treating all auditees with respect and courtesy during the performance of our duties and responsibilities.

Codes of Conduct. The department conducts audits in compliance with the Code of Ethics of the Institute of Internal Auditors.