



OFFICE OF

Audit Services

What is the
purpose of the
department?

OFFICE OF AUDIT SERVICES

is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

It can offer services against a broad range of objectives such as: evaluating the effectiveness of operations; determining if assets are appropriately safeguarded; validating the reliability and integrity of reporting processes; or assessing compliance with laws, regulations, policies, procedures, and contracts. The department can also offer consulting services when institutional processes are changing.

At its simplest, internal audit involves identifying the risks that could keep an organization from achieving its goals, making sure the organization's leaders are informed about those risks, and proactively make recommendations to make the necessary improvements to help reduce risks to acceptable levels.

**Is an Audit
function
required ?**

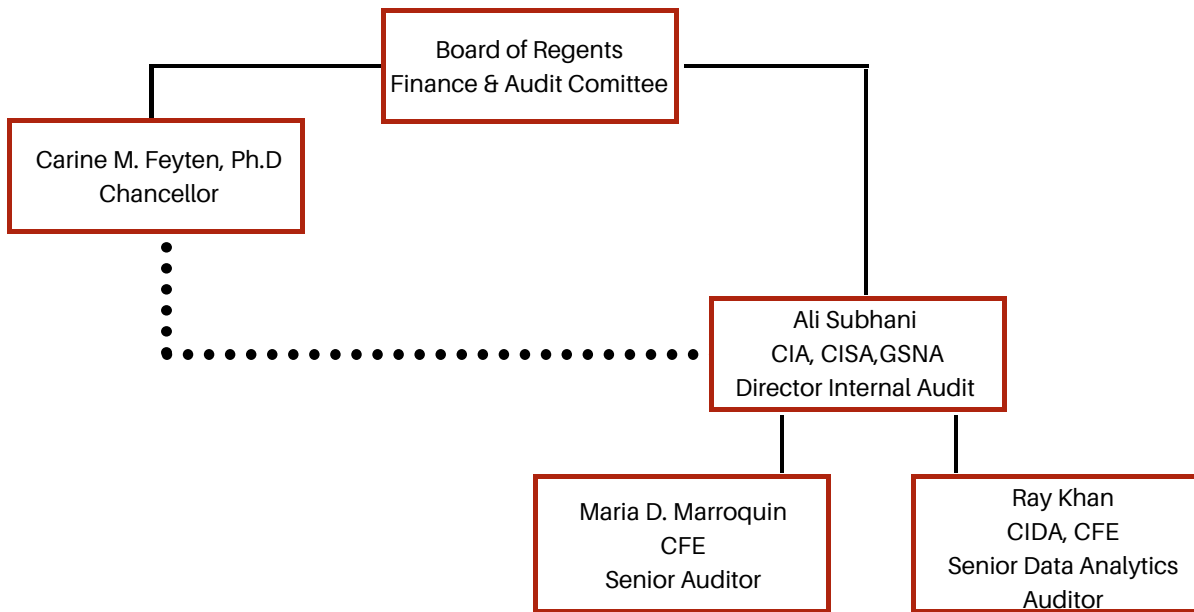
GOVERNMENT CODE

The Texas Internal Auditing Act, Government Code 2102, requires that state institutions establish and maintain a system of Internal Audit.

Therefore, in order to ensure compliance with the requirements, an audit function is required.

**What is the
organization
structure for the
department?**

ORGANIZATION CHART



REPORTING LINES

Board of Regents

The department reports functionally to the Board of Regents; this offers the department independence

Chancellor

The department reports administratively to the Chancellor to handle day to day business. The support provided by reporting to the Chief Administrator allows the internal audit activity to fulfill its responsibilities

**What Standards
do Auditors have
to meet?**

STANDARDS OF AUDIT PRACTICE

Audit professionals do not get to make their own rules when they carry out their work. The manner in which they carry out their work is regulated by the following requirements:

Federal

Generally Accepted Government Auditing Standards

State

Texas Internal Auditing Act

Professional

International Standards for the Professional Practice of Internal Auditing

The Institute of Internal Auditors Code of Ethics



What is the **Audit Charter?**

AUDIT CHARTER

The Audit Charter is the document that describes the manner in which the requirements from the Audit Standards will be adhered to at TWU. It is approved by the Board of Regents and details the:

- Mission and Scope of Work
- Accountability
- Independence
- Responsibility
- Authority
- Standards of Audit Practice

The Audit Charter provides Auditors the capability to have access to any personnel or documentation required to complete an audit.



Who are the **Auditors ?**

AUDIT STAFF



**AUDIT
EXPERIENCE**

5+

11+

4

CERTIFICATION

CFE

**CIA
CISA
GSNA**

**CFE
CIDA**

DEGREE

Masters in Business
Administration

Masters in Accounting &
Information Management

Masters in
Accounting

**How are
the areas
selected to be
Audited ?**

ANNUAL RISK ASSESSMENT PROCESS

The department focuses its work to areas of highest risk or processes that may be the most critical for the institution. The annual process is the means through which the department attempts to identify the 'right areas' for review. The process is initiated by ensuring that there is a complete inventory of all areas across the institution. This information is layered on with budgetary data and then further layered on with the department's own knowledge of the institution. At that point a risk assessment is carried out.



**What is
the **Audit**
Plan ?**

AUDIT PLAN

The audit plan is the work plan for the department for a particular fiscal year, and on average can include anywhere from 9-12 audits a year. Efforts are made to incorporate managements input as the department develops the audit plan. During the fourth quarter of each fiscal year, the plan for the upcoming year is shared with the Board for formal approval. The audit plan that gets published can include a variety of project types such financial reviews, IT related reviews, or compliance reviews. Also, if management requests, we can also carry out consulting engagements.



**What is the
typical **Audit**
process?**

AUDIT PROCEDURES

At the onset of an audit, a notification is provided to the Vice President of the area being reviewed and the appropriate Dean, Chairperson, or Director. This notification will state the objective and scope of the review to be conducted.

After the issuance of the audit notification, an entrance conference will be scheduled to discuss the audit objectives and to answer any questions or concerns the audit client may have.

The audit team will then conduct interviews and perform applicable procedures to gain an understanding of the operations of the audit area. After an understanding is obtained, a review will be performed to validate the state of internal controls in the area.

Once the review has been completed, the results will be discussed with management over the area. A report is then drafted and an exit conference is held with the responsible Vice President to go over any observations that may have been identified for improvement. Once management has provided responses to the recommendations, an audit report is issued.

After the report is issued, a follow-up review will be conducted to determine the status of implementation of recommendations noted in the original audit. The follow-up procedures are performed to ensure corrective action has taken as planned.

Please contact Ali Subhani, msubhani@twu.edu
should you have a need to discuss anything further.

