

POLICY & PROCEDURES MEMORANDUM

TITLE:	INTERNAL AUDITING
EFFECTIVE DATE:	May 5, 1997* <i>(*Procedural/Title Update 1/27/14; Title Updates 6/7/12; 7/6/10)</i>
CANCELLATION:	none
CATEGORY:	Business (BA) <i>Initially Distributed as PR-1260.1</i>

POLICY STATEMENT

It is the policy of Delgado Community College to establish and support an internal auditing process as an independent appraisal function to examine and evaluate College activities as a service to senior management and the Chancellor. This function resides with the Controller’s Office. When performing the internal audit function, the designated Controller’s Office staff report administratively through the Vice Chancellor for Business and Administrative Affairs reporting structure and functionally to the Louisiana Community and Technical College System Director of Internal Audit.

The general scope of audit coverage is College-wide and no function, activity, or unit of the College is exempt from audit and review. No officer, administrator, faculty member or staff member may prohibit the designated internal auditing staff from examining any College record or interviewing any faculty/staff member or student that the designated auditing staff deem to be pertinent to his/her audit and reviews. Additionally, the Vice Chancellor for Business and Administrative Affairs has the authority to audit or to cause to be audited the accounts of all organizations required to submit financial statements to the College. The objectives of and procedures for conducting internal audits and reviews are outlined in this memorandum.

PROCEDURES & SPECIFIC INFORMATION

1. **Purpose**

To establish the policy, objectives and procedures of the internal auditing function of the College.

2. **Applicability**

This memorandum applies to all sections, departments, divisions and campuses, as well as all constituent organizations, of the College.

3. **General Objectives of Audits and Reviews**

The internal audit function is established to accomplish the following objectives:

- (1) Determining that the College's overall system of internal control and administrative control and the controls in each departmental unit or activity under audit are adequate, effective, efficient, and functioning. Audit should be conducted on a periodic basis so that all major systems are reviewed every two (2) years. Such reviews will be coordinated with the State Office of the Legislative Auditor to avoid unnecessary duplication of effort.
- (2) Determining the reliability and adequacy of the accounting, financial, and reporting systems and procedures.
- (3) Determining, on a test basis, that College activities, including the administration of grants and contracts received or made, are in conformance with College policies and procedures, State and Federal laws and regulations, contractual obligations, Louisiana Community and Technical College System policy, and good business practices.
- (4) Determining the extent to which College assets are accounted for and safeguarded from losses of all kinds, and, as appropriate, verifying, on a test basis, the existence of such assets.
- (5) Evaluating operational procedures to determine whether results are consistent with established objectives and goals and whether the procedures are being carried out as planned.
- (6) Evaluating the design of major new electronic data processing systems and major modifications to existing systems prior to their purchase to determine whether the system of internal control will be adequate, effective, and efficient, as well as evaluating adequate separation of duties in the implementation of the new system. (When the designated auditing staff are evaluating the design of a new or modified system prior to its installation, sufficient information must be provided to him/her, before installation, regarding the intended internal controls, so he/she can complete the evaluation and reach conclusions regarding the system of internal control before the system is actually installed.)

- (7) Providing liaison with external auditors.
- (8) Preparing an annual audit plan before fiscal year-end for the ensuing fiscal year and submitting it to the Chancellor for review.

4. **Auditing Procedure**

The designated auditing staff ensure that audits and reviews are conducted according to generally accepted auditing standards using such audit programs, techniques, and procedures as are considered necessary under the circumstances. The operation of the internal audit function is to be carried out consistent with The Statement of Responsibilities and Code of Ethics defined by the Association of College and University Auditors.

Standards for the performance of the audit function are developed from the following:

- The Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors);
- General Standards for Information Systems Auditing (ISACA EDP Auditors Association); and
- Statement on Auditing Standards No. 1 (American Institute of Certified Public Accountants).

5. **Utilization of Audit Reports**

The designated auditing staff will work with and assist any independent auditor, Legislative Auditor, or other governmental auditor as duly required. As deemed appropriate, working papers and reports will be provided to external auditors.

6. **Limitation of Authority and Responsibility**

The members of senior management are responsible for assuring that the operating managers give proper consideration and attention to the recommendations contained in each audit report.

The Vice Chancellor for Business and Administrative Affairs will ensure each designated individual performing the internal audit function has no direct authority over, nor responsibility for, any of the activities reviewed. The designated auditing staff will not develop and install procedures, prepare records, make management decisions, or engage in any other activity which could be construed to compromise his/her independence. Therefore, internal audit reviews and appraisals do not in any way substitute for nor relieve other persons in the College of the responsibilities assigned to them.

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BA-1260.2

Policy Reference:

Louisiana Community and Technical College System [Policy #5.019 Misappropriation of Assets – Notification Policy](#)
Delgado Policy and Procedures Memorandum, [Internal Control System](#)

Review Process:

Vice Presidents 5/5/97
Title Update Approval - Vice Chancellor for Business and Administrative Affairs 7/6/10
Title Update Approval - Vice Chancellor for Business and Administrative Affairs 6/7/12
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1/27/15

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