JACKSONVILLE STATE UNIVERSITY
Manual of Policies and Procedures

POLICY NUMBER: I:05 DATE: January 1988
SUBJECT: Internal Audit Office
APPROVED: William A. Meehan, President

PURPOSE
It is the policy of Jacksonville State University to establish and support an Internal Auditing Office. The office will assist the university in determining with reasonable assurance that its policies are being carried out at all levels of management and operations. The internal auditing function provides a valuable service to the university.

POLICY
The Office of Internal Audit has been established to ensure that it will be independent in organization and in function from all university operations. The Director of Internal Audit will report to the president of the university and will meet with the Board of Trustees as needed to brief them on the internal audit function of the university. Internal audit staff will have complete, free, and unrestricted access to all university departments, activities, records, properties, and personnel.

The Director of Internal Audit shall have the authority to consult with university legal counsel and notify the president, Board of Trustees, and proper state authorities concerning matters of fraud or embezzlement.

OBJECTIVES
Internal Audit examines and evaluates the adequacy and effectiveness of the systems of management by furnishing them with objectives analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed. The department is concerned with any phase of administrative or business activity where it can be of service to management. To accomplish this goal, departments or activities are reviewed using the following objectives:

I:05
1. Review and appraise the general operating controls, university policies and procedures, state and federal laws, business practices, asset management systems, accounting processes, and reporting systems to determine their soundness, the appropriate safeguarding of assets, and the reliability and adequacy in reporting.

2. Identify the university’s risks and consequent plan, and implement a program to alleviate any adverse affects of such risks where possible.


4. Promote the importance of ethical practices through individual and collective efforts.

5. Assist the president in certain routine procedures and selected assignments.

6. Assist in the preparation of designated reports as delegated.

7. Coordinate and collaborate with all external auditors in the conduct of the annual audit of the university, specialty audits, and all over audits of grants, programs, and departments of the university.

**AUDIT PLAN**

Activities and functions of the university will be reviewed by Internal Audit on an intermittent basis. The selection and frequency of individual audits, reviews and appraisals will be influenced by the nature and inherent risks of the activity, personnel, changes in personnel, volume of work, revised procedures, prior audit findings, and any other pertinent facts and circumstances.

**AUDIT REPORTS**

Internal Audit reports vary on a case-by-case basis depending upon the purpose, objectives, nature, scope, and findings of each respective project undertaken. Final reports may range from email correspondence or hard-copy memoranda, to small or full-scale reports filed in the Office of Internal Audit or disseminated to other personnel as deemed necessary by the Office of Internal Audit.

**RESPONSE TO EXTERNAL AUDITS**

Internal Audit will coordinate the audits by organizations external to the university with the organization or activity being audited. Copies of responses to external audits should be provided to the Director of Internal Audit.
SYSTEMS PLANNING AND DEVELOPMENT
The Director of Internal Audit will participate in the planning, development, implementation, and modifications of major computer-based systems to ensure that:

1. Adequate controls are incorporated in the system.
2. Thorough system testing is performed at appropriate stages.
3. System documentation is complete and accurate.
4. The system is secure and provides for an audit trail.

MANAGEMENT AND QUALITY ASSURANCE
All Internal Audit personnel will comply with the Code of Ethics adopted by the Institute of Internal Auditors. The Director of Internal Audit will be required to participate in continuing education programs and keep abreast of the quality assurance standards of both the Institute of Internal Auditors and the American Institute of Certified Public Accountants.

RESPONSIBILITY
The Office of Internal Audit is responsible for this policy.

EVALUATION
The policy will be reviewed every three years.