

AUSTIN PEAY STATE UNIVERSITY
POLICIES AND PROCEDURES MANUAL

POLICY NO.: I:02:01 DATE: October 2, 1981
SUPERSEDES POLICY NO: I:02:01 DATED: November 3, 1978
SUBJECT: Internal Auditing
APPROVED: Robert O. Riggs, President Robert O. Riggs

Generally accepted standards of auditing and good business practices will be followed in the administration of the internal auditing function of the University.

The administration of this policy shall be a staff function responsible to the President.

General

The internal audit function is designed to serve management by reviewing the accounting and financial operations of the University and by making recommendations involving improved controls, systems and procedures. In order to retain the highest degree of independence and objectivity, the internal audit staff will perform staff functions and will not be assigned line responsibility. The audit staff is expected to develop a positive image so that there is an awareness of the audit function within the institution and so that action can be taken on findings and recommendations when presented.

Program

A formal audit program will be prepared each year defining the extent and frequency of review of the accounting and financial operations of the institution with particular emphasis on income-producing activities. This program should list all departments and activities subject to audit. The frequency of internal audits is to be determined, in part, by such factors as the nature of the activity, changes in personnel, significant changes in volume of work, the introduction of new or revised procedures and the adequacy of internal control. This program will be reviewed by the President; and as the year progresses, actual audit accomplishments will be compared with the program schedule.

The program should provide time for special investigations, projects or studies requested by management or other departments or for those arising unexpectedly as a result of a scheduled audit.

Reports

Inasmuch as the internal auditing function is primarily a tool of management, written reports will be rendered on all review activities. These reports will be distributed as directed by the President. The President shall forward one copy of each report to the Chancellor of the State Board of Regents for transmittal to the Comptroller.

Follow-up action will be taken on all audit report recommendations and the department or activity reviewed will be expected to report to the President the definite action taken on each recommendation made. Department or activity disagreement with recommendations should also be reported promptly in writing.

Coordination

It will be the responsibility of the Business Manager to review all fiscal audit reports. The Business Manager will also be responsible to follow-up on audit reports, secure additional information and submit comments and recommendations to the President; also, he/she will see that recommendations approved by the President are implemented.