



Internal Audit Department

PURPOSE

As detailed in the ULM Internal Audit Charter, the purpose of internal audit function is to strengthen the University's ability to create, protect, and sustain value by providing the University of Louisiana System Board of Supervisors and the University's management with independent, risk-based, and objective assurance, advice, insight, and foresight. The internal audit function provides services designed to enhance the University's governance, risk management, and control processes.

AUTHORITY

An act of the Louisiana Legislature provides that the budget request of any agency with an appropriation level of thirty million dollars or more shall include within its existing table of organization positions which perform the function of internal auditing, including the position of a chief audit executive. The Internal Audit Department has the authority to examine all university reports, documentation, and any other information and to use any and all audit procedures deemed necessary. The internal audit function reports functionally to Chief Audit Executive of the Board of Supervisors of the University of Louisiana System and administratively to the President of the University. These reporting relationships assure that the Internal Audit Department is independent of the activities that are audited.

TYPES OF AUDITS

Operational Audits

Operational audits are the most common type of audit. Operating procedures, supporting documentation, and internal controls are reviewed in detail. Operational audits assess the effective and efficient use of resources while accomplishing the area's goals and objectives.

Compliance Audits

Compliance audits assess the degree to which the area has adhered to laws, rules, regulations, policies and procedures. Compliance may be reviewed for adherence to federal, state, and local laws, along with other regulatory agencies such as the NCAA.

Financial Audits

Financial audits address issues related to the proper accounting and reporting of financial transactions, including authorization of transactions, cash receipts, cash disbursements, and commitments to purchase.

Investigative Audits

Investigative audits are performed when required and are the result of alleged acts of fraud or other misconduct. Alleged white collar crime, misuse of University assets, and conflicts of interest are examples of reasons for an investigative audit. Typically, Internal Audit works with other parties, both internal and external to the University. Usually, the focus of Internal Audit's review is on internal controls, with the goal of determining whether or not internal controls were compromised.

Information Technology Audits

Information technology audits typically address general IT controls, focusing primarily on application controls, processing controls, backup and recovery plans, data security, and hardware security.

AUDIT SELECTION

Annually, the Internal Audit Department prepares an audit plan that identifies the planned audit areas. The audit plan is developed based on a combination of the Internal Audit Department's assessment of risk, follow-up to previous audits, and the input of the UL System board. Specific requests by management of the University, the Board of Supervisors, and the Louisiana Legislative Auditor are also considered in the audit plan. The University President and

the Board of Supervisors approve the annual audit plan.

THE AUDIT PROCESS

Generally, the audit process is, as follows:

Notification

An entrance conference or notification marks the official beginning of an audit. The entrance conference or audit notification may take the form of a face-to-face meeting with management, correspondence, or a telephone call. Management is encouraged to discuss any aspect of their operations that they would like to include in the audit.

Fieldwork

The audit fieldwork is performed in two phases: a preliminary survey/risk assessment is conducted to gather an understanding of key risks and related departmental procedures and controls. This may include interviews of departmental personnel and requests for documents to be reviewed. The testing phase is then conducted to verify the adequacy of internal controls, compliance with applicable laws and regulations, et cetera. During the audit fieldwork, audit concerns and updates are discussed with appropriate University personnel.

Communicate Results

At the conclusion of fieldwork, a draft communication of results is prepared and sent to management for their responses. Clarification and additional information is considered in evaluating evidence used in formulating final audit comments. A final audit report that includes responses is then issued. The final report is issued to the University President, appropriate other University personnel, and the UL System Chief Audit Executive. A

copy of the final report is also made available to the Louisiana Legislative Auditor.

Follow-Up Process

Approximately twelve months after the final report is issued, the Internal Audit Department follows up on audit findings to ensure that corrective actions have been implemented in a timely and effective manner.

CONTACT US

The Internal Audit Department is committed to improving the effectiveness and efficiency of the University's operations. We encourage management's utilization of the Internal Audit Department as a resource to assist in the enhancement of the quality of operations. To report activities you feel might be illegal or improper or if we can be of assistance to you, please call, email us, or drop by our offices.



Mr. Fernando Cordova
Director of Internal Audit
[University Library 524](#)
E-mail: fcordova@ulm.edu
Telephone: (318) 342-1537

Our address:

ULM Department of Internal Audit
University Library Room 524
700 University Avenue
Monroe, LA 71209-2210

LOUISIANA LEGISLATIVE AUDITOR'S FRAUD HOTLINE

The Louisiana Legislative Auditor's Fraud Hotline is available for university employees, students, and the general public to report activities they feel might be illegal or improper.

Call toll-free:
1-844-50-FRAUD
(1-844-503-7283)

Or FAX to:
1-844-40-FRAUD
(1-844-403-7283)

Or report via U.S. Mail:
LLA Hotline
P. O. Box 94397
Baton Rouge, LA 70804



Source: <http://www.la.la.gov/hotline/>