Internal Audit

April 16, 2015
Internal Audit

• **Review of PCC website** (http://intranet.pcc.edu/departments/audit/)
  ✔ Previous audit plans
  ✔ Audit reports
  ✔ Web link to “Ethics Point” software

• **Policies**

• **Audit Committee Charter** (Resolution #10-065)
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• Adds value to the organization
• Provides objective and relevant assessment of risk
• Reasonable assurance that risks have been effectively managed
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Draft Documents for Board Review

• Proposed charter revisions to codify internal audit (Roman numeral “II”)
• Extend authorization to access relevant records

• Define OIA reporting lines:
  • Reports *functionally* to the Audit Committee
  • Reports *administratively* to College President
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Draft Documents (cont’d)

• Defines scope of work: all College operations

• Multi-layered risk assessment, beginning with conversations with senior leadership, then secondarily with line management & personnel

• Identify operations with significant operating exposure (e.g. rating tool scale 1-5 to evaluate)
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Draft Documents (cont’d)

• OIA must have impartial, unbiased attitude and avoid conflicts of interest.

• Decline engagement and obtain competent advice if OIA lacks knowledge/skills needed to perform all or part of the engagement.

• Measure adequacy of internal controls.
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Draft Documents (cont’d)

• Report to the Board on OIA activities.

• Refrain from assuming management responsibility by actually implementing recommended changes.

• Final report to contain opinion and/or conclusions, including satisfactory performance.

• Cost of assurance versus potential benefits.
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Draft Documents (cont’d)

• Internal Audit Procedures to augment Charter. (Second Handout)
  ✓ Responsibilities (e.g. employees to safeguard PCC resources, administration of Ethics Point system, etc.)
  ✓ Campus liaison for reporting assistance
  ✓ Confidentiality
  ✓ Action steps
Finally, while internal assessments can include ongoing monitoring, it would be prudent to include periodic “external assessments” by an independent auditor or team from outside the organization.
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Questions?

Thank you!