April 16, 2015





- 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)





- Adds value to the organization
- Provides objective and relevant assessment of risk
- Reasonable assurance that risks have been effectively managed





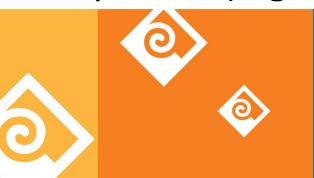
Draft Documents for Board Review

- 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





- 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)





- 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.





- 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.





- 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





Draft Documents (cont'd)

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.





Questions?

Thank you!



