

# Office of Internal Audit —A Basic Overview

*What is the Office of Internal Audit  
and why does it perform audits?*



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Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the University's operations. Therefore the Office of Internal Audit's primary goal is to help the University accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The director of Internal Audit develops the annual audit plan using a risk-based methodology. Development of the audit plan will be based on significant risks or control concerns identified by the chancellor, board of trustees, university management and the professional judgment of the Internal Audit staff.

**Independence** The Office of Internal Audit should be free from interference in determining the scope of internal auditing, performing work and communicating results. To provide for the independence of the Office of Internal Audit, the director of Internal Audit reports to the Finance and Audit Committee and the chancellor. Objectivity and independence are crucial to the duties of Internal Audit. Either may be compromised if auditors participate directly in preparing records/accounting transactions, designing systems and operations or directing activities of any organization employee not employed by the Office of Internal Audit. Therefore, the Internal Audit staff will serve only in an advisory capacity regarding these matters.



**What to Expect** An engagement memo and an entrance conference with department management. Both the memo and the meeting will confirm information about the audit process to include:

- The names and titles of the auditors who will be performing the audit.
- The scope of the audit, or what exactly will be examined and what the objective of the audit is.
- When the audit will occur.
- What kind of workspace the auditors may need if they will be performing field work on site.
- A summation of the audit process.
- Surveys and interviews to gather information as well as requests for documents and/or support needed for the audit.

**Conversation** The auditor will request your feedback and ask you how Internal Audit can help your work unit improve. The auditor will also gather your feedback as to areas of concern.

**Updates** as the auditor moves through the audit process as to potential audit findings and recommendations.

**A draft report** and an exit conference – discussion with management and participants about observations, findings and recommendations,

**A final report containing** observations, findings and recommendations, and management corrective action plans.

**A survey** requesting your feedback as to the performance of the audit.

**Follow-up** work to be performed if the audit results in significant audit findings.

## Benefits you receive

- An opportunity for positive change
- Identification and communication of risk exposures
- Cost-effective management advisory services

## Your Responsibilities Reporting Potential Fraud, Waste and Abuse (Internal Audit also performs investigations!)

### Article 14, Protection for Reporting Improper Government Activities

#### § 126-84 Statement of Policy

(a) It is the policy of this State that State employees shall be encouraged to report verbally or in writing to their supervisor, department head, or other appropriate authority, evidence of activity by a State agency or State employee constituting:

- 1) A violation of State or federal law, rule or regulation;
- 2) Fraud;
- 3) Misappropriation of State Resources;
- 4) Substantial and specific danger to the public health and safety;  
or
- 5) Gross mismanagement, a gross waste of monies,  
or gross abuse of authority

(b) Further, it is the policy of this State that State employees be free of intimidation or harassment when reporting to public bodies about matters of public concern, including offering testimony to or testifying before appropriate legislative panels.

Improper governmental conduct includes alleged fraud, misappropriation, mismanagement or waste of state resources. It also includes alleged violations of state or federal law, rule or regulation in administering state or federal programs, and substantial and specific danger to the public health and safety. There are two ways to report fraud, waste, and abuse. It can be reported through Western Carolina University's Office of Internal Audit or through the North Carolina's Office of the State Auditor's Hotline.

**Other Activities** Internal Audit also performs reviews, participates on committees, and serves in an advisory capacity for work units across the campus.

## Feel free to call or write

the Director of Internal Audit if you have any questions.

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