THE AUDIT PROCESS

1. PRELIMINARY SURVEY AND PLANNING

The purpose of the preliminary survey is to obtain background information and establish a practical working knowledge of departmental objectives and procedures; available files and records; and applicable laws, rules, and regulations. This information will be used to develop the audit plan and audit program.

2. NOTIFICATION

An engagement memo will be sent to management of the area to be audited. The memo will indicate the audit scope and objectives, anticipated timing of the audit fieldwork, the auditors assigned to the audit, and the target date for audit completion.

3. ENTRANCE CONFERENCE

An entrance conference is held with Internal Audit and management as well as any other key employees who may be involved in the audit to facilitate the beginning of fieldwork and address and questions or concerns regarding the review.

4. FIELDWORK

The objective of fieldwork is to document Internal Audit's understanding of internal controls; perform risk assessment procedures, including consideration of fraud risks; and perform tests of controls and tests of transactions. Internal Audit will regularly communicate with management regarding any issued or concerns that may arise through this process.

5. DRAFT AUDIT REPORT FOR DISCUSSION

A draft report will be submitted to management for review and allow for management to provide a response to any noted observations.

6. EXIT CONFERENCE

The purpose of the exit conference is to formally present the audit to management, discuss planned corrective actions, and address any questions or concerns.

7. FINAL AUDIT REPORT

Once management's responses have been received, they will be incorporated into the final report. The final report will then be presented at the next planned Audit and Finance Committee meeting where management will be invited to present plans for corrective action to the committee members. NOTE: Audit reports are public record although their distribution is limited to select University adminsitrators and officials.