INTRODUCTION:

Welcome to the Murray State University Internal Audit website. This document is designed to familiarize the University community with the internal audit function and explain some of the processes involved in an internal audit/review engagement.

THE AUDIT PROCESS:

Even though each audit/review project is unique, the process is similar for most engagements and normally consists of four phases: 1) Identification and Planning, 2) Fieldwork, 3) Audit Report and 4) Follow-up Review.

Identification and Planning – Each engagement selected for audit/review will be approved by the President prior to the start of work. The person(s) authorized to approve the transactions selected for the engagement will be notified that the audit has been scheduled. General information as to what will be needed and the time frame of the audit will be provided. Questionnaires and interviews may be used to assess the needs of the engagement.

Fieldwork – The internal auditor will select and test specific transactions and compliance acts in accordance with the scope and objectives of the audit underway.

Audit Report – After the conclusion of the fieldwork phase, a draft version of the audit report will be prepared which will contain the findings and recommendations that were identified in the audit. Recommendations that call for a response from the managers will be added to the audit report. A final report will be issued upon completion of any outstanding items and the approval of the President.

Follow-up Review – If any actions were recommended by the audit process, and after a reasonable period of time has passed to implement those, a follow-up audit will be scheduled to determine if the findings have been resolved. Not all audits will be subject to follow-up review.
TYPES OF AUDITS:

Audit projects can normally be categorized as one of the following:

Financial – Reviewing financial transactions, records and reports for accuracy, completeness, and authorization

Operational - Evaluating operating procedures and internal control structures to determine efficiency and effectiveness

Compliance – Determining whether University policies, procedures, and governmental regulations are being followed

Special Projects – Examining a specific issue as may be requested by management, these may also include loss and fraud investigations

REPORT AN ISSUE:

As good stewards of Murray State University, we are expected to carry out our responsibilities in a manner consistent with the highest ethical standards and the law. Each of us has a duty to report known or suspected fraudulent or unethical activity. We encourage employees to report concerns through the normal lines of communication within your department structure. However, when employees are uncomfortable using these methods, you may report the issue to Internal Audit. We will only investigate legitimate University issues concerning misuse of University assets, failure to comply with University policies, procedures, etc.

Examples of issues to be reported to Internal Audit:

- Suspected fraud
- Suspected use of University property for non-University activities
- Deposits of funds into non-University accounts
- Suspected expenditure of departmental funds for personal or non-University activities
- Suspected failure to comply with University policies, state or federal laws and regulations

Examples of issues NOT to be reported to Internal Audit:

- Sexual Harassment – please report this directly to the Office of Equal Opportunity
- Crime – please report this directly to Public Safety and Emergency Management
- Personal grievances with other employees – please follow guidelines established in Personnel Policies and Procedures Manual as set forth by the Human Resources Office.