Internal Audit Department
Frequently Asked Questions
What to Expect in an Audit

Internal Audit is here to help. We are part of UW and are mainly interested in helping you avoid problems in the future by ensuring processes, procedures and policies are adequate. When you are audited by Internal Audit the goal is to ensure that risks to the Institution as well as your area are mitigated or eliminated. With that in mind Internal Audit performs a risk assessment each year to determine the audit schedule. This audit schedule is reviewed and approved by the University of Wyoming President, Executive Council, and Board of Trustees Business and Legal Affairs Sub-Committee. Some questions that usually arise when an area is to be audited are addressed here.

1. How was my department selected to be audited?

Departments are selected for audit based on various criteria. The Internal Audit Department conducts a risk assessment of all departments and/or major programs of the university on an annual basis. We also conduct interviews with Vice Presidents and other key University personnel to note areas of concern. A department can also request an audit as a means to detect areas for improvement.

2. What is the process of being audited?

- **Planning:** The auditee will be contacted by the Internal Audit Department in notification that they will be audited to discuss the timing of the audit.
- **Preliminary Survey:** You may be asked to provide specific information regarding your area.
- **Opening conference:** An opening conference will be scheduled with the audit team and the department. During the opening conference, the audit team will discuss the scope of the audit, availability of key staff of auditee and time commitment of the audit.
- **Fieldwork:** Once the opening conference is over, the audit fieldwork will begin. Fieldwork includes: interviews, testing internal controls, review and analysis of financial and other records. Once the fieldwork is completed a draft audit report will be written and shared with management. The report will note all observations noted during the audit and provide recommendations.
- **Closing conference:** A closing conference will be scheduled in which the draft audit will be reviewed with key personnel. This is an opportunity for discussion regarding the audit observations to ensure that everyone is in agreement.
- **Responses to Audit Report:** Once we have come to agreement on the draft audit report, the auditee has the responsibility to respond individually to each of the observations. This is an opportunity to provide an action plan regarding how the observation will be corrected to be in compliance. The responses should be reviewed and approved by all appropriate levels of management.
• **Final Audit Report:** Once the responses have been reviewed and approved by the Internal Audit office and appropriate levels of management, the final audit report will be issued to the Financial and Legal Affairs Committee (FLAC) of the Board of Trustees.

• **Follow-Up:** Internal Audit department has been asked by the University President and Board of Trustees to follow-up with all auditees to provide an update on the progress of the responses to the audit. The timeframe for follow up will be determined by the internal audit department and the auditee. The timeframe typically is 6-12 months following the close and presentation of the audit.

3. **What happens if the auditor finds errors or areas for improvement?**

   The auditor will discuss any errors detected with the staff and managers at the time of the audit. Our approach to auditing is very open and we will always keep management informed of all matters throughout the audit.

4. **Who receives copies of the final audit?**

   The audit is presented to the Finance and Legal Affairs Committee (FLAC) of the UW Board of Trustees. Copies of the report are also distributed to the President of UW and the appropriate Vice President.

5. **What areas are typically tested as part of an internal audit?**

   The areas to be tested are dependent on the activities of the department. The most common areas to be tested are:
   1. Cash handling,
   2. accounts receivable,
   3. inventory,
   4. grants/contracts,
   5. payroll,
   6. disbursements (purchase orders, field purchase orders, payment requests, purchasing cards, IDR's),
   7. computer access,
   8. budgets,
   9. policies and procedures.

6. **Are there any items that are confidential from the internal auditors?**

   Internal Audit is granted the authority to review all parts of the institution and shall have full and complete access to any of the institution's records, physical properties and personnel. (See Audit Charter) Documents and information given to the auditors during a periodic review will be handled in the same prudent and confidential manner as by those employees normally accountable for them and exercise discretion and assure the safekeeping and confidentiality of audit matters.
7. What do we do if we also use a “Shadow Accounting System” to manage our resources separate from PISTOL?

PISTOL provides the official accounting records for the University. If you choose to utilize a “shadow system”, the system MUST be reconciled to PISTOL on a monthly basis to ensure accuracy and completeness. This is critical if management utilizes this “shadow system” to make management decisions.