TEMPLE UNIVERSITY

POLICIES AND PROCEDURES MANUAL

Title: The Internal Audit Program
Policy Number: 05.20.16
Effective Date: December 27, 2004, revised April 13, 2006
Issuing Authority: Office of the President

Scope of Policy

This policy establishes the Internal Audit Program to assist the University in reaching its goals and objectives. The Internal Audit Program serves management and assists Deans, Directors and Budget Unit Heads in the discharge of their responsibility by reviewing, interpreting and reporting activities in a factual and objective way.

Policy

The University shall have only one Department of Internal Audits serving all its components, at all its locations.

In performing internal audits, the Department of Internal Audits shall make appraisals of the financial and informational systems of the University and shall make independent appraisals of operations to the extent provided for in the Department's annual budget. The Department shall determine the adequacy of internal controls; the accuracy of financial and operational reports; and compliance with laws, governmental regulations, standard accounting practices, third party reimbursement requirements and University plans, policies and procedures.

Internal audits shall be conducted under the schedule recommended by the Management Audit Committee and approved by the President. However, such schedule may be superseded by specific request by the President or by the Vice President for Financial Affairs and Treasurer, or upon the initiative of the Director of Internal Audits when in their individual judgments conditions warrant such interruption.

The Department of Internal Audits shall perform follow-up audits of special projects, investigations and audits to determine that the agreed upon corrective actions have been implemented and are effective. These follow-up audits will be performed approximately three to six months after the completion of the original project. The time and nature of the follow-up audits is dependent upon the significance of the weaknesses to be corrected and the nature of the corrective actions required to be implemented. The Director of Internal Audits shall provide quarterly reports to the University President detailing the results of the follow-up audits performed. In addition, the Director of Internal Audits will issue a memorandum to the University President and the Management Audit Committee advising them of any areas that have not implemented corrective actions during two or more consecutive follow-up audits.

When University Counsel conducts an investigation in connection with rendering legal advice or in connection with or in anticipation of litigation, University Counsel may request the assistance of Internal Audits in conducting confidential investigations. Under these circumstances, Internal Audits shall operate at the direction or under the control of University Counsel.

The Department of Internal Audits shall have full, free and unrestricted access to all University activities, records, electronic files, property and personnel relevant to the subject under review. Appropriate prior approval shall be obtained from the President or the Chair of the Audit Committee of the Board of Trustees for access to University records, files and reports. The Director of Internal Audits shall be responsible for controlling access to electronic files by the Department. All personnel have the responsibility to cooperate with the Department of Internal Audits.

The Department of Internal Audits shall have no authority to make operational decisions, to direct anyone in operations, to take action or implement any recommendation.

The Director, Department of Internal Audits, shall be responsible to the President of the University, and concurrently to the Board of Trustees, for the Internal Audit Program.

The Director, Department of Internal Audits, shall provide copies of all internal audit reports to the President and the members of the Audit Committee of the Board of Trustees. Members of the Management Audit Committee will also receive and review copies of internal audit reports.

The Director shall make periodic written reports to the President as well as to the Board of Trustees and/or the Audit Committee of the Board on the progress of the Internal Audit Program and be available for those purposes determined by the Board and its Committees.

The Department of Internal Audits shall adopt policies and procedures to implement the Internal Audit Program.

This policy supersedes all prior University Policies with which it conflicts.

Notes

1. Dates of official enactment and amendments:

Approved by the President on December 27, 2004.

Amended by the President on April 13, 2006.

2. History:

This policy replaces former Presidential Policy Statement No. I-2, which was approved by the President in Executive Cabinet on September 30, 1982.

Amended by the President, in Executive Cabinet, February 14, 1984.

Amended by the President, in Executive Cabinet, October 5, 1990.

A copy of Presidential Policy Statement I-2 is on file in the office of the University Policy Coordinator.

3. Cross References

None