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WHAT TO EXPECT WHEN YOU'RE EXPECTING....AN AUDIT

The mention of the word audit or auditors can be scary for some people. The negative connotation of the word "audit" has been withstanding for decades (at least over three and a half to my knowledge). However, over the last few years, the Internal Audit industry as a whole has been working hard to change the perception regarding auditors and the audit process. No longer are we the internal control police or the finders of all things wrong! Internal auditors are here to help make positive changes, improve efficiencies and assist their employer in reaching its strategic goals.

These tasks are slowly achieved by performing risk assessments, creating an audit plan and performing audits, reviews or investigations (when necessary). All projects completed help the university, directly or indirectly, get closer to its objectives.

If you find yourself on the receiving end of an internal audit project (i.e. an audit or review), knowing what to expect may ease your mind. We break down the process into three stages and each stage is assigned certain tasks to be completed. The outline below is not all inclusive, but a summary version.

- Stage 1: Planning Stage
 - Inquiring to the appropriate Administrative Council member for scope and objectives for the project
 - Issuing a formal scope and notification document to the audit client
 - Performing interviews of audit client personnel to learn about processes
 - Requesting documents for testing
 - Documenting internal control risks
- Stage 2: Execution stage
 - Documenting processes in work papers
 - Reviewing, by the audit client, process narratives
 - Performing substantive tests (audits only) based on documented internal control risks
- Stage 3: Reporting stage
 - Drafting a report, including all findings
 - Performing an exit conference with audit client to discuss findings and determine acceptance of recommendations or acceptance of risk
 - Finalizing an agreed-upon report for submission to upper-level reviewers (i.e. my boss and my boss's boss).
 - Issuing the report to the chairperson of the Finance & Budget Committee and the Board (audits only)

This is being shared with you in hopes that it will ease your mind if, or when, internal audit comes knocking on your door. We promise not to bust it down, unless it is warranted!

PRO-CARD TOP FIVE: TIPS TO DETER THE ISSUES

Internal Audit has conducted several unannounced procurement card compliance reviews across campus for both department and individual cards. Now that we've crunched the numbers, let us share how to keep your procurement card records in good shape.

1. **Know when you should use the procurement card – and when you shouldn't.** Certain expenses are not allowed with state funds, even if they are work related. That coffee you brew daily to share with coworkers? Don't buy it with your procurement card! Read the [WKU Discretionary Spending Policy](#) before making purchases. If you wait until your procurement card is reviewed to learn about prohibited expenses, you may be on the hook for reimbursements to the University.
2. **Request itemized receipts for all purchases made with the procurement card.** Itemized receipts should list every item purchased in the transaction and are typically offered for any type of sale. If you receive only a credit receipt or gift receipt at the time of purchase, it is your responsibility to request an itemized receipt as well.
3. **Reconcile transactions every month before the cutoff date.** As you probably already know, all transactions default to a clearing account in your department's index. Failure to reconcile transactions will make it more difficult to budget effectively, may allow fraudulent transactions to be charged to your department and could prompt an audit for your procurement card. Protect yourself, your department and the University by reconciling transactions timely, consistently and regularly.
4. **Don't double dip.** No, we're not talking about chips and salsa here (but don't double dip there either!). If an expense has already been paid by another source, don't claim it elsewhere. For example, a meal paid for with a procurement card should never be claimed for reimbursement on a travel voucher.
5. **Always include a roster of attendees for food purchases.** Food purchases are only allowed with state funds in specific circumstances. When making a food purchase, remember to include a list of attendees with the receipt. If the food is purchased for a departmental event, simply include an invitation or flyer with the procurement card records.

Protect yourself, your department and the University by following these five tips. In general, remember the procurement card is not a source for "free" money, it should be used and thought of as if you, the cardholder, were using your own money. There are rules and regulations stating appropriate uses of this money due to the source of this money. For more information, review the following related documents:

[Travel Policy](#)

[Purchasing Card Policy](#)

[Discretionary Spending Policy](#)

[Purchasing Card Guide for Record Keepers](#)

FY 2016 AUDIT PLAN

The old adage that time flies when you're having fun is certainly true in the Office of Internal Audit. The 2016 fiscal year is halfway complete, and we've been having fun meeting new people on campus, creating relationships with those people and learning more about how the university works. During the upcoming spring semester, Internal Audit will be wrapping up a few projects and starting on the projects that make up the remaining 44% of the plan. In case you've forgotten if you should be expecting us, a copy of this year's plan can be found by clicking on the following:

<http://www.wku.edu/finadmin/ia/>

ETHICS & COMPLIANCE HOTLINE AND WEB SITE INFORMATION

In regards to internal controls, communicating gaps in those controls can make a difference and add value to the University. Please remember that you can remain anonymous when reporting to the WKU Ethics & Compliance Hotline. To report a concern or an issue, see the following:

Toll free: 1-877-318-9178

Web site: www.wku.ethicspoint.com



Contact Us

Office of Internal Audit
WAB, Ground Floor
1906 College Heights Blvd, #11002
<http://www.wku.edu/finadmin/ia/>