



LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

***Changing Lives,
Creating Futures***

Monty Sullivan
System President

Officers:

N. J. "Woody" Ogé
Chair

Timothy W. Hardy
First Vice Chair

Deni Grissette
Second Vice Chair

Members:

Helen Bridges Carter
Erika McConduit-Diggs

Willie L. Mount
Michael J. Murphy

Joe Potts
Paul Price, Jr.
Stephen C. Smith
Craig Spohn

Vincent St. Blanc, III
Charles T. Strong
Stephen Toups

Student Members:

Sommer Brown
Jennifer Burgess

Louisiana
Community
& Technical
College System

265 South Foster Drive
Baton Rouge, LA 70806

Phone: 225-922-2800
Fax: 225-922-1185

www.lctcs.edu

Audit Committee Meeting

June 8, 2016
9:00 a.m.

- A. Call to Order by Committee Chair
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Meeting Agenda for June 8, 2016 Pg 1
- E. Approval of Minutes of April 13, 2016 Meeting Pg 2
- F. For Approval - Internal Audit Policy and Procedures Manual Pg 5
Updates
- G. FY 2016 – Year End Report and FY 2017 – Proposed Audit Plan Pg 62
- H. Questions and Other Business
- I. Adjournment



**Changing Lives,
Creating Futures**

Monty Sullivan
System President

Officers:

N. J. "Woody" Ogé
Chair

Timothy W. Hardy
First Vice Chair

Deni Grissette
Second Vice Chair

Members:

Helen Bridges Carter
Keith Gamble
Steve Hemperley
Erika McConduit-Diggs
Willie L. Mount
Michael J. Murphy
Joe Potts
Paul Price, Jr.
Stephen C. Smith
Craig Spohn
Vincent St. Blanc, III
Stephen Toups

Student Members:

Da'Antre Austin
Benson Kinney

Louisiana
Community
& Technical
College System

265 South Foster Drive
Baton Rouge, LA 70806

Phone: 225-922-2800
Fax: 225-922-1185

www.lctcs.edu

Draft minutes of 4.13.16 Audit Cmt Mtg for approval 6.8.16

LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

Audit Committee Meeting

Wednesday, April 13, 2016
11:00 a.m.

The Louisiana Building
Baton Rouge Community College
201 Community College Drive, Baton Rouge, Louisiana 70806

**NOTE: A meeting of the LCTCS Board of Supervisors is scheduled
for Wednesday, April 13, 2016, at 1:00 p.m.**

A. Call to Order by Committee Chair

Chair Gamble called the April 13, 2016 LCTCS Board of Supervisors Audit Committee meeting to order at 11:01 a.m.

B. Pledge of Allegiance

Supervisor St. Blanc led the assembly in reciting the Pledge of Allegiance.

C. Roll Call

Board Coordinator, Sara Kleinpeter conducted the roll call with the following results:

Members Present

Keith Gamble
Helen Carter
Steve Hemperley
Paul Price, Jr.
Woody Ogé, Board Chair
Benson Kinney
Joe Potts
Craig Spohn
Vinney St. Blanc
Stevie Smith

Absent

Deni Grissette
Willie Mount

Staff Present

Monty Sullivan
Sara Kleinpeter
Mike Redmond
Shannon Sedberry
Joe Marin
Joel Watkins
Paul Carlsen
Jeff Fleming

D. Approval of Meeting Agenda for April 13, 2016

On motion by Supervisor Price, seconded by Supervisor St. Blanc, the Committee voted to approve the April 13, 2016, meeting agenda as presented. The motion carried.

E. Approval of Minutes of September 8, 2015 Meeting

On motion by Supervisor Kinney, seconded by Supervisor St. Blanc, the Committee voted to approve the September 8, 2015 meeting minutes as presented. The motion carried.

F. Reports and Current Projects

Mr. Redmond thanked the members for being in attendance. He briefed the Committee on significant reports issued and projects that are currently being worked on, noting that reports are sent monthly to the Board.

On April 1, Commissioner of Administration Dardenne sent correspondence to higher education and other state agencies to address the number of audit findings at colleges and state agencies over the last year. There are three LCTCS Colleges in the report, all of which, have previously been reported to the Board: Delgado Community College, Fletcher Technical Community College, and South Louisiana Community College.

Mr. Redmond noted that the internal audit department has begun a review of procedures and processes used on colleges as related to the return of Federal Title IV funding. Internal Audit Manager, Jeff Fleming, is meeting with all colleges to try to determine a unified way to manage federal funding for financial aid system wide. Federal Financial Aid rules are the same at all colleges and the system office is working to coordinate this service.

G. Internal Audit Policy and Procedures Manual Updates

Mr. Redmond presented to the Committee a proposed update to the Internal Audit Policy and Procedures Manual. He reminded them that the committee has already approved the revised Internal Audit Charter and the Vision, Mission and Value Statements. The remaining items in the manual are being presented to the Committee for review. He included a list of the items being presented, along with a copy of the items for the Committee's review and advisement. Mr. Redmond noted that the revisions include a revised job structure to maintain the institutional knowledge while allowing current employees the opportunity for professional growth. The career paths include positions of staff to senior to manager to director, and other titles in between. The position descriptions do not indicate the intent to hire additional staff members, it helps to define available growth opportunities.

Mr. Redmond asked that the Committee review the manual updates and looks for final approval during the June Audit Committee meeting.

H. Update on College Finances

Mr. Marin provided the semi-annual update to the Committee on the status of the college's financial health. The reports help to better determine the financial picture at each college. He noted that his staff has been closely monitoring both Bossier Parish Community College (BPCC) and Central Louisiana Technical Community College (CLTCC) because of their past financial situations. CLTCC has recently hired a new CFO that seems to understand the full picture. Both institutions are making progress in their respective budgets but are uncertain how the future state budget will impact their budgets. All of the LCTCS institutions are expected to finish in the black but some are being watched closely for various reasons.

I. Questions and Other Business

Chair Gamble noted that the next meeting of the Audit Committee will take place prior to the June 8, 2016, Board meeting, at a time to be announced.

Chair Gamble announced that he will be resigning from the LCTCS Board of Supervisors, and the Audit Committee effective April 15, 2016. Supervisor Spohn thanked Mr. Gamble for his service to LCTCS and for his personal guidance and friendship.

Mr. Redmond reminded the Board members in attendance that it is the annual financial disclosure period for Board members, and they are due no later than May 15, 2016. Please complete the filing before that date.

J. Adjournment

On motion of Supervisor St. Blanc, seconded by Supervisor Hemperley, the Audit Committee adjourned at 11:37 a.m.

Louisiana Community & Technical College System

INTERNAL AUDIT DEPARTMENT

Memorandum

Project: Internal Audit Policies and Procedures – for Board Review and Approval

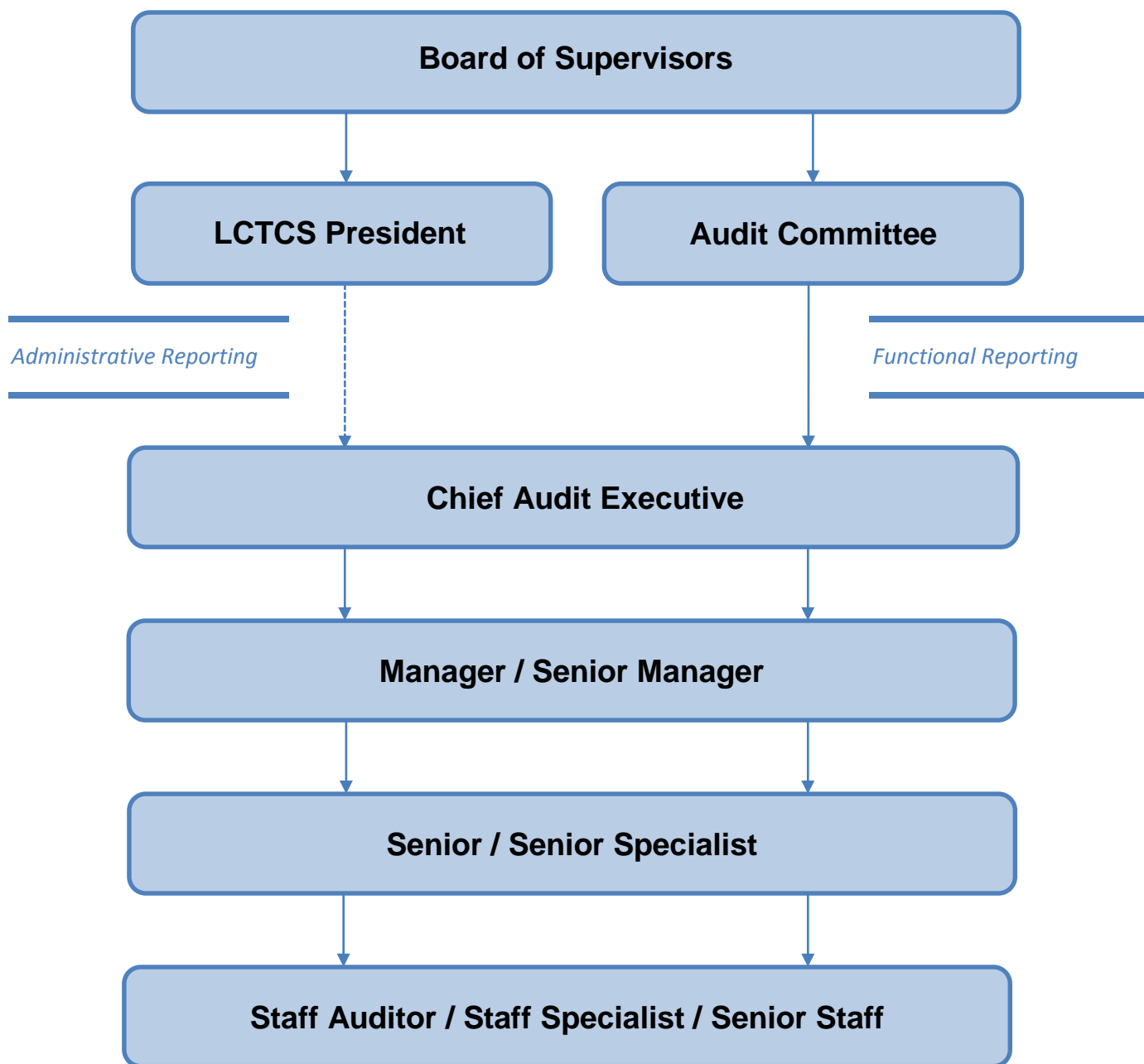
Date: June 8, 2016

C-2*	Internal Audit Organization Chart
D-1*	Internal Audit CharterAlready Approved
D-2*	Vision, Mission and Value StatementsAlready Approved
D-3*	Our Strategic Plan
D-6*	Personal Conduct and Confidentiality
E-1*	Annual Risk Assessment
E-2*	Annual Audit Plan
F-1*	Staff Advancement Matrix
F-2*	Staff Auditor
F-3*	Staff Specialist
F-4*	Staff Senior Auditor
F-5*	Senior Auditor
F-6*	Senior Specialist
F-7*	Internal Audit Manager
F-8*	Senior Audit Manager
F-9*	Director of Internal Audit
F-10*	Audit Intern
F-14*	Performance Evaluations
G-1*	Introduction to Quality
G-2*	Internal Assessments
G-3*	External Assessments
G-4*	Continuous Quality Improvement

Appendices

F*	Strategic Plan
G*	SWOT Analysis

Section	Title	Standards Reference
C-2	Internal Audit Organization Chart	



Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Chief Audit Executive Reporting Relationships

- ◆ Functional reporting to Audit Committee
 - Annual Audit Report
 - Annual Audit Plan
 - Open Issues File
 - Copy of all Audit Reports
- ◆ Administrative Reporting to LCTCS President
 - Budget
 - Office facilities
 - Performance evaluations
 - Travel
 - Staffing issues
 - Hiring and termination of DIA requires approval of Audit Committee
 - Annual Audit Plan
 - Annual Audit Report
 - Open Issues File
 - Copy of all Audit Reports

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
D-3	Our Strategic Plan	

The Internal Audit Strategic Plan serves as the road map that guides the internal audit activity towards the achievement of identified goals in support of its stated vision and mission.

The Chief Audit Executive (CAE), with the assistance of the Internal Audit staff and in close consultation with institutional stakeholders, will prepare a strategic plan for presentation to the Audit Committee of the Board. The scope of this plan will be determined in consultation with institutional stakeholders, but will be for no less than a two year period. This plan will be presented to the Audit Committee at its final meeting of each fiscal year.

At a minimum, the Internal Audit Strategic Plan will contain:

1. An analysis of the internal audit activity's current internal strengths and weaknesses, and the external opportunities and threats that could help or hinder the department's ability to achieve its goals (SWOT Analysis – See Appendix G)
2. Goals for the period covered by the plan that are based on the SWOT analysis.
3. Metrics by which the achievement of goals will be measured.

The current Internal Audit Strategic Plan is presented in Appendix F.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
D-6	Personal Conduct, Objectivity and Confidentiality	1120

In the promotion of an ethical culture in the internal audit activity, all internal auditors are expected to abide by The Institute of Internal Auditors' Code of Ethics, specifically including the four principles of Integrity, Objectivity, Confidentiality, and Competency as set out in the Code. In addition, all internal auditors are expected to abide with LCTCS Policy #6.025 *Code of Conduct* which incorporates Louisiana's *Code of Governmental Ethics* (R.S. 42:1101 – 42:1170) as revised.

In addition, the following guidelines are established regarding personal conduct and the confidentiality of internal audit or business information acquired through internal audit assignments.

- A. As a member of the internal auditing staff, internal auditors represent the highest level of management. Internal auditors must conduct themselves in a manner that reflects favorably upon the internal audit activity and those they represent. Internal auditors are expected to exercise professional skill, integrity, maturity of behavior, and tact in their relations with others.

In general, internal auditors are encouraged to be friendly with all company employees without affecting their objectivity. Internal auditors should guard against any conduct or mannerisms that present an impression that they consider themselves a "home office expert" sent to check on employees in the field. Openly opine that the customer knows more about their job and area of operations than the auditors know. As far as possible, take the position of an independent/objective analyst and advisor. Avoid the image of policing.

- B. In the course of their assignments, internal auditors will be in contact with personnel at all levels of authority and position. At all times independence in mental attitude is to be maintained. Reports resulting from internal audit efforts should always contain full and unbiased disclosure of all but minor audit findings. Although internal auditors report to the internal auditing activity, they have responsibilities to both management and the personnel being audited.
- C. Much of the work of internal audit is confidential; therefore, internal auditors are to be discreet on and off the job in discussing current or past audits or their assessments of internal audit customers. Judgment should be exercised in the security of internal audit workpapers, programs, company records, and information at all times.
- D. Never indiscreetly discuss confidential information such as system changes, reduced working hours, or possible personnel layoffs.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

E. Avoid extremes of dress or personal grooming.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Section	Title	Standards Reference
E-1	Annual Internal Audit Risk Assessment	

Introduction

IIA Standard 2010 – Planning says:

The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals.

In its official interpretation of the standard, the IIA says:

If a[n official organizational risk] framework does not exist, the chief audit executive uses his/her own judgment of risks after consideration of input from senior management and the board.

Standard 2010.A1 requires that:

The internal audit activity's plan of engagements ... be based on a documented risk assessment, undertaken at least annually.

Risk Management

Risk is defined by The Institute of Internal Auditors as

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

The identification and management of risk is the responsibility of LCTCS management. Risk management encompasses the establishment of controls to prevent the occurrence of a risk event, the detection of a risk event that does, in fact, occur and the mitigation of the effects of a risk event that occurs. The remaining risk, sometimes called residual risk, should be as low as possible and within the risk tolerance of LCTCS senior management and the Board.

The first step in the process is to identify the auditable units (AU) within the LCTCS. There are many ways to define an AU. An AU could be a business process within a college (Tuition, Fees, Waivers and Receivables, Purchasing and Payables, HR On-boarding, Off-boarding and Payroll, etc.), a college department (Human Resources, Student Affairs, Financial Aid, etc.), a program (Nursing, Welding, Information Technology, Business Management, etc.), a funding source (state general funding, state grants such WISE and FastStart, federal grants such Carl D. Perkins, Adult Education, etc.) or some other identifiable unit or activity. The totality of all the AUs constitute the audit universe (AUv).

Internal Audit Risk Assessment

Like our planetary universe, the LCTCS AUv is vast and expanding. In a system the size of LCTCS with its geographical dispersion, diversity of programs and funding and given existing and future budget realities and staffing limitations, it is not feasible to expect a comprehensive audit coverage

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

of the entire AUv. Instead, the Director of Internal Audit (DIA) must critically evaluate the identified AUs using his/her experience and knowledge of system and college processes to identify those risks that can most effectively be beneficially addressed.

The DIA will annually gather information from the LCTCS Board and senior management regarding its strategic goals for the coming year. The DIA will then conduct the necessary interviews, surveys and analyses to determine the risks that exist to prevent the attainment of these goals. The DIA will formulate the annual Risk Assessment report which will then be used to prepare the Annual Audit Plan. The Risk Assessment will be reported to the LCTCS Audit Committee at its regular meeting in June of each year.

* * * * *

The refinement of the risk assessment model will remain an ongoing priority of internal auditing. The audit committee will be involved in this process. Our objective will be to assign internal audit resources in the optimum manner to audits with the greatest risk, potential improvements, and potential savings or recoveries.

Version		Adopted Date	Effective Date
2.0			7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
E-2	Audit Planning	

The Audit Plan (Plan) is the roadmap by which Internal Audit conducts its work during the year. Using the Risk Assessment document produced by the efforts described in Section E-1 ***Annual Risk Assessment***, the Director of Internal Audit will prepare a proposed Plan for presentation to the LCTCS Audit Committee.

The Plan will provide a discussion of each significant area of proposed internal audit focus including the goals which would be impacted by the occurrence of a risk event on the area of focus, the controls in place to prevent, detect and mitigate risk events and the tests, if any, that have been conducted leading to internal audit's conclusion of significant residual risk. Throughout the coming year, the Director of Internal Audit will develop projects, to address the risks identified in the selected areas, which (s)he believes would benefit from internal audit efforts and to which (s)he believes internal audit activities would add value.

Also included in the Plan are any projects for which Internal Audit has entered into Memorandums of Understanding with other LCTCS departments.

The Plan will also emphasize that a certain amount of Internal Audit time will be available for special requests that inevitably arise throughout the year.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-1	Staff Advancement Pathways	

It is in the best interest of the internal audit activity to hire and retain effective employees, who can contribute to our goal of assisting our colleges reach their goals of training Louisiana's workforce. Likewise, employees desire to do meaningful work, to have their skills and contributions recognized and to be compensated commensurate with their contributions.

Staff advancement pathways provide a means for employees to take on activities and responsibilities appropriate to their skills and experience and to be properly compensated for their efforts. It likewise provides internal audit with a pool of knowledgeable, experienced and skilled auditors necessary to accomplish its work.

A summary of the Staff Advancement Pathway is presented below.

Internal Audit (Career Pathways)

Bachelor's Degree, 3 yrs. or less of experience; CISA / CFE Specialist – Pass appropriate certification exam

Team lead. More complex audit tasks, can be a subject matter resource, 3-5 yrs. of experience

CIA/CPA required, project AIC, 3-7 yrs. of experience, depending on additional certification. Supervision of 1-2 staff, contributes to annual risk analysis, participates in sensitive audits

Master's and/or 2nd certification preferred, oversees all aspects of audit projects, assists in developing annual plan, full departmental supervision.

Serves as CAE in director's absence, 7-9 yrs. of experience

Master's and/or 2nd certification required, 9+ yrs. of experience, full departmental responsibility, advisor to senior staff and college management.

Staff Auditor / Staff Specialist

Senior Staff

Senior / Senior Specialist

Manager

Senior Manager

Director

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

A detailed view of the career pathway is presented below:

Staff Advancement Matrix

Criteria	Position							
	Staff Auditor	Staff Specialist	Senior Staff Auditor	Senior Auditor	Senior (Specialist ¹)	Manager	Sr. Manager	Director
Civil Service Classification								
Classified								
Unclassified	X	X	X	X	X	X	X	X
Education								
Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.	R	R	R	R	R	R	R	R
Master's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.						p ⁵	p ⁵	R ³
Substitutions								
Certification as a CIA / CPA can substitute for 1 year of required work experience.			X	X				
2 nd Certification (CFE / CISA / Other [*]) can substitute for 1 year of required work experience			X	X		X	X	
Experience								
<3 years	X	X						
3-5 years			X		X			
5-7 years				X				
7-9 years						X	X	
9+ years								X
Certification								
CIA / CPA				R	R	R	R	R
CISA / CFE / Other ²		R ⁴			R	P	P	R ³
Supervised By								
Senior Auditor	X	X	X					
Manager / Sr. Manager				X	X			
Director						X	X	
Audit Committee / President								X
Oversees								
None	X	X						
Project Management			X	X	X			
Department Supervision (1 -2)				X	X			
Department Supervision (All)						X	X	X
All Department Responsibility								X

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Staff Advancement Matrix (continued)

Criteria	Position							
	Staff Auditor	Staff Specialist	Senior Staff Auditor	Senior Auditor	Senior (Specialist ¹)	Manager	Sr. Manager	Director
Duties - Professional								
Performs professional internal auditing work.	X	X	X	X	X	X	X	X
Performs complex-level professional internal auditing work.		X	X	X	X	X	X	X
Conducts compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.	X	X	X	X	X	X	X	X
Performs operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.	X	X	X	X	X	X	X	X
Leads compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.				X	X	X	X	X
Leads operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.				X	X	X	X	X
Provides consulting services to the organization's management and staff.		X	X	X	X	X	X	X
Serves as audit field leader as directed by AIC, manager or director.			X	X	X			
Provides specialization support to audit department staff.		X			X			
Identifies specialization risks and independently evaluates the efficiency and effectiveness of controls, including security and internal controls.		X			X			
Provides training and coaching to internal audit staff.			X	X	X	X	X	X
Executes internal control assessments and risk analysis surveys throughout the organization.			X	X	X	X	X	X

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Staff Advancement Matrix (continued)

Criteria	Position							
	Staff Auditor	Staff Specialist	Senior Staff Auditor	Senior Auditor	Senior (Specialist ¹)	Manager	Sr. Manager	Director
Serves as Auditor-in-Charge (AIC) on projects reviewing workpapers for accuracy and completion, aiding in clearing issues and conducting research needed to make relevant recommendations.				X	X	X		
Manages and directs daily activities of staff auditors assigned to assist the AIC during an engagement.				X	X	X	X	X
Provides key input to development and execution of the risk-based annual audit plan.				X	X	X	X	X
May conduct more sensitive audits or handle matters of great confidentiality related to the audit program.				X	X	X	X	X
Supervises all aspects of an agency audit program, including assigning work to subordinate auditors; reviewing, approving, and directing revision of individual audit plans and reports; and providing guidance and counsel regarding audit plan development and audits conducted.						X	X	X
Assists in developing and enforcing audit standards, policies, and procedures for agency.						X	X	X
Assists the audit director in the development of the agency audit plan and program.						X	X	X
Interprets laws, rules, and regulations which will impact audit program at agency and ensures agency compliance with all mandated changes.						X	X	X
Serves as assistant to the Director of Internal Audit and serves as CAE in the absence of the Director.							X	X
Develops and enforces standards, policies, and procedures for the system.								X
Interprets laws, rules, and regulations which will impact audit programs at agency and ensure agency compliance with all mandated changes.								X

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Staff Advancement Matrix (continued)

Criteria	Position							
	Staff Auditor	Staff Specialist	Senior Staff Auditor	Senior Auditor	Senior (Specialist ¹)	Manager	Sr. Manager	Director
Advises higher-level agency administrators or the Board of Supervisors of management problems uncovered by operational audits within the program and makes recommendations for solutions.								X
Works under close supervision on scope areas within the audit process.	X							
Works independently under general supervision with considerable latitude for initiative and independent judgment.		X	X	X	X	X	X	X

- 1 Certifications other than the CISA and CFE must be pertinent to Internal Auditing and must be agreed to with the Director (or hiring authority in the case of the Director) prior to hire.
 - 2 Recognized Specializations
Information Technology Auditing - Requires CISA certification
Fraud and Forensic Accounting / Auditing - Requires CFE Certification
Other specializations must be approved by the Director of Internal Audit prior to hiring.
 - 3 A Master's degree and/or a 2nd certification is required for the Director of Internal Audit.
 - 4 Candidate for Staff Specialist must have successfully sat for the appropriate specialist certification exam, either the Certified Information Systems Auditor (CISA) exam or the Certified Fraud Examiner (CFE) exam. The required years of experience to actually receive the CISA or CFE certification must be obtained prior to promotion to Senior II Specialist.
 - 5 A Master's degree is preferred and may substitute for 1 year of required work experience.
- P Preferred skill or attribute
R Required skill or attribute
X Attribute or skill is applicable to this classification

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-2	Staff Auditor	1210, 2030

Position Title:

Staff Auditor

Position Classification:

Unclassified

Supervision Received:

Internal Audit Senior or above

Supervision Exercised:

None

Position Summary:

The Staff Auditor:

- Performs professional internal auditing work.
- Conducts compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Performs operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing \(Standards\)*](#).
- Promotes operational efficiency throughout the organization.
- Works under close supervision on scope areas within the audit process.
- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Staff Auditor

- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.

Minimum Qualifications:

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.

Desired Knowledge, Skills and/or Experience:

- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Staff Auditor	\$ 45,000		
Advanced Degree	\$ 47,500	\$ 57,500	\$ 70,000
Primary Certification	\$ 47,500		
Both	\$ 50,000		

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Section	Title	Standards Reference
F-3	Staff Specialist	1210, 2030

Position Title:

Staff Specialist

Position Classification:

Unclassified

Supervision Received:

Internal Audit Senior or Above

Supervision Exercised:

None

Position Summary:

The Staff Specialist:

- Performs professional internal auditing work.
- Conducts compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Performs operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing \(Standards\)*](#).
- Promotes operational efficiency throughout the organization.
- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Staff Specialist**Information Technology Auditor Specialist:**

- Provides information technology support to audit department staff.
- Conducts data extraction, analysis, and security reviews utilizing software tools.
- Assesses information technology control elements to mitigate IT risks regarding the confidentiality, integrity, and availability of business information.

Fraud Specialist:

- Provides fraud recognition support to audit department staff.
- Assists in project risk assessments to identify areas susceptible to fraud.
- Conducts tests to determine the occurrence of fraud.

Minimum Qualifications:

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.
- IT Auditor Specialist: Must have successfully sat for Certified Information System Auditor (CISA) exam.
- Fraud Specialist: Must have successfully sat for Certified Fraud Examiner (CFE) exam.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.
- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Staff Specialist**Desired Knowledge, Skills and/or Experience:**

- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Staff Specialist	\$ 47,500		
Advanced Degree	\$ 50,000		
Primary Certification	\$ 50,000	\$ 59,750	\$ 72,000
Both	\$ 52,500		

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-4	Senior Staff Auditor	1210, 2030

Position Title:

Senior Staff Auditor

Position Classification:

Unclassified

Supervision Received:

Internal Audit Senior or Above

Supervision Exercised:

Staff auditors during the course of audit field work.

Position Summary:

The Senior Staff Auditor:

- Performs complex-level professional internal auditing work.
- Conducts compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Performs operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Provides consulting services to the organization's management and staff.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing \(Standards\)*](#).
- Promotes operational efficiency throughout the organization.
- Works independently under general supervision with considerable latitude for initiative and independent judgment.
- Supports team in meeting departmental and organizational objectives.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Senior Staff Auditor

- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.

Differs from Staff Auditor:

- Performs general project management, including coordination of fieldwork and the review of staff workpapers.
- Provides training and coaching to internal audit staff.
- Executes internal control assessments and risk analysis surveys throughout the organization.

Minimum Qualifications:

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.
- Minimum of 3-5 year of auditing experience, preferably in higher education.
- Certification as CIA / CPA is preferred and may substitute for one year of required experience.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Senior Staff Auditor**Desired Knowledge, Skills and/or Experience:**

- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Senior Staff Auditor	\$ 57,500		
Advanced Degree	\$ 60,000	\$ 71,000	\$ 84,500
Primary Certification	\$ 60,000		
Both	\$ 62,500		

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-5	Senior Auditor	1210, 2030

Position Title:

Senior Auditor

Position Classification:

Unclassified

Supervision Received:

Internal Audit Manager / Internal Audit Senior Manager

Supervision Exercised:

Departmental supervision of 1-2 staff auditors.

Position Summary:

The Senior Auditor:

- Performs complex-level professional internal auditing work.
- Leads compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Leads operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Serves as Auditor-in-Charge (AIC) on projects reviewing workpapers for accuracy and completion, aiding in clearing issues and conducting research needed to make relevant recommendations.
- Provides consulting services to the organization's management and staff.
- Provides training and coaching to internal audit staff.
- Executes internal control assessments and risk analysis surveys throughout the organization.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing*](#) (Standards).
- Promotes operational efficiency throughout the organization.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Senior Auditor

- Works independently under general supervision with considerable latitude for initiative and independent judgment.
- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.
- Departmental supervision of 1-2 staff auditors.
- Provides key input to development and execution of the risk-based annual audit plan

Differs from Senior Staff Auditor:

- May conduct more sensitive audits or handle matters of great confidentiality related to the audit program.

Minimum Qualifications:

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.
- Minimum of 5-7 year of auditing experience, preferably in higher education.
- CIA / CPA certification is required.
- Second certification (CISA / CFE / Other as determined by Director of Internal Audit) is preferred and may substitute for one year of required experience.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Senior Auditor**Desired Knowledge, Skills and/or Experience:**

- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Senior Auditor	\$ 64,000	\$ 82,500	\$ 101,000
Advanced Degree	\$ 66,500		

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Section	Title	Standards Reference
F-6	Senior Specialist	1210, 2030

Position Title:

Senior Specialist

Position Classification:

Unclassified

Supervision Received:

Internal Audit Manager / Internal Audit Senior Manager

Supervision Exercised:

Departmental supervision of 1-2 staff auditors.

Position Summary:

The Senior Specialist:

- Performs complex-level professional internal auditing work.
- Leads compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Leads operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Serves as Auditor-in-Charge (AIC) on projects reviewing workpapers for accuracy and completion, aiding in clearing issues and conducting research needed to make relevant recommendations.
- Provides consulting services to the organization's management and staff.
- Provides training and coaching to internal audit staff.
- Executes internal control assessments and risk analysis surveys throughout the organization.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing*](#) (Standards).
- Promotes operational efficiency throughout the organization.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Senior Specialist

- Works independently under general supervision with considerable latitude for initiative and independent judgment.
- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.
- Provides information technology support to audit department staff.

Information Technology Auditor Specialist:

- Conducts data extraction, analysis, and security reviews utilizing software tools.
- Assesses information technology control elements to mitigate IT risks regarding the confidentiality, integrity, and availability of business information.
- Conducts detailed audits of information technology systems and infrastructures to verify systems are secure and support the related applications or business processes.
- Develops project plans and work programs, evaluates system controls, documents results, makes recommendations, and communicates information to auditee management.

Differs from Staff Specialist - Information Technology Auditor:**Fraud Specialist:**

- Provides fraud recognition support to audit department staff.
- Assists in project risk assessments to identify areas susceptible to fraud.
- Conducts tests to determine the occurrence of fraud.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Senior Specialist**Differs from Staff Specialist – Fraud:**

- Conducts in-depth investigations of suspected fraudulent activity.
- Designs, implements, or maintains fraud detection tools or procedures.
- Interviews witnesses or suspects and takes statements.
- Leads, or participates in, fraud investigation teams.
- Trains others in fraud detection and prevention techniques.

Differs from Senior Staff Auditor:

- Departmental supervision of 1-2 staff auditors.
- Provides key input to development and execution of the risk-based annual audit plan.
- May conduct more sensitive audits or handle matters of great confidentiality related to the audit program.

Minimum Qualifications:

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.
- Minimum of 3-5 year of auditing experience, preferably in higher education.
- CIA / CPA certification is required.
- IT Auditor Specialist: Certified Information System Auditor (CISA) certification is required.
- Fraud Specialist: Certified Fraud Examiner (CFE) certification is required.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.
- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Senior Specialist

- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Senior Specialist	\$ 66,500	\$ 83,750	\$ 101,000
Advanced Degree	\$ 69,000		

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-7	Audit Manager	1210, 2030

Position Title:

Audit Manager

Position Classification:

Unclassified

Reports to:

Director of Internal Audit

Supervision Provided:

Direct supervision of Internal Audit Staff, Senior Auditors and Audit Specialists

Position Summary:

The Audit Manager:

- Performs complex-level professional internal auditing work.
- Leads compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Leads operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Serves as Auditor-in-Charge (AIC) on projects reviewing workpapers for accuracy and completion, aiding in clearing issues and conducting research needed to make relevant recommendations.
- Provides consulting services to the organization's management and staff.
- Provides key input to development and execution of the risk-based annual audit plan.
- May conduct more sensitive audits or handle matters of great confidentiality related to the audit program.
- Provides training and coaching to internal audit staff.
- Executes internal control assessments and risk analysis surveys throughout the organization.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Audit Manager

- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing \(Standards\)*](#).
- Promotes operational efficiency throughout the organization.
- Works independently under general supervision with considerable latitude for initiative and independent judgment.
- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.
- Responsible for departmental supervision of staff internal auditors, senior internal auditors and internal audit specialists
- Supervises all aspects of an agency audit program, including assigning work to subordinate auditors; reviewing, approving, and directing revision of individual audit plans and reports; and providing guidance and counsel regarding audit plan development and audits conducted.
- Assists in developing and enforcing audit standards, policies, and procedures for agency
- Assists the audit director in the development of the agency audit plan and program.
- Interprets laws, rules, and regulations which will impact audit program at agency and ensures agency compliance with all mandated changes.

Differs from Senior Internal Auditor II:

Version	Adopted Date	Effective Date
2.0		7/1/2016

Audit Manager**Minimum Qualifications:**

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline. Master's Degree is preferred and may substitute for 1 year of required work experience.
- Minimum of 5-7 years of auditing experience, preferably in higher education.
- CIA / CPA certification is required.
- Second certification (CISA / CFE / Other as determined by Director of Internal Audit) is preferred and may substitute for 1 year of required work experience.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.
- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Audit Manager	\$ 72,500		
Advanced Degree	\$75,000	\$ 91,250	\$ 110,000

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-8	Senior Audit Manager	1210, 2030

Position Title:

Senior Audit Manager

Position Classification:

Unclassified

Supervision Received:

Director of Internal Audit

Supervision Provided:

Direct supervision of Internal Audit Staff (all levels)

Position Summary:

The Senior Audit Manager:

- Performs complex-level professional internal auditing work.
- Leads compliance and financial audits for agency, including making arrangements for audits, maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Leads operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Responsible for departmental supervision of staff internal auditors, senior internal auditors and internal audit specialists.
- Supervises all aspects of an agency audit program, including assigning work to subordinate auditors; reviewing, approving, and directing revision of individual audit plans and reports; and providing guidance and counsel regarding audit plan development and audits conducted.
- Assists in developing and enforcing audit standards, policies, and procedures for agency.
- Assists the audit Director in the development of the agency audit plan and program.
- Interprets laws, rules, and regulations which will impact audit program at agency and ensures agency compliance with all mandated changes.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Internal Audit Senior Manager

- Provides consulting services to the organization's management and staff.
- Provides key input to development and execution of the risk-based annual audit plan.
- May conduct more sensitive audits or handle matters of great confidentiality related to the audit program.
- Provides training and coaching to internal audit staff.
- Executes internal control assessments and risk analysis surveys throughout the organization.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing \(Standards\)*](#).
- Promotes operational efficiency throughout the organization.
- Works independently under general supervision with considerable latitude for initiative and independent judgment.
- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.
- Serves as assistant to the Director of Internal Audit and serves as CAE in the absence of the Director.

Differs from Internal Audit Manager:

Version	Adopted Date	Effective Date
2.0		7/1/2016

Internal Audit Senior Manager**Minimum Qualifications:**

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline. Master's Degree is preferred and may substitute for 1 year of required work experience.
- Minimum of 7-9 years of auditing experience, preferably in higher education.
- CIA / CPA certification is required.
- Second certification (CISA / CFE / Other as determined by Director of Internal Audit) is preferred and may substitute for 1 year of required work experience.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.
- Knowledge of analytical tools such as ACL, IDEA, or other data extraction software or aptitude to learn such software.
- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

Pay Range	Minimum	Midpoint	Maximum
Senior Audit Manager	\$ 80,000	\$ 102,500	\$ 125,000
Advanced Degree	\$ 85,000		

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Section	Title	Standards Reference
F-9	Director of Internal Audit	2000

Position Title: Director of Internal Audit

Position Classification: Unclassified

Supervision Received: Functionally – Audit Committee of the LCTCS Board of Supervisors

Administratively – LCTCS President

Supervision Provided: Direct line supervision of Internal Audit Managers and Senior Managers

Direct / Indirect supervision of internal audit staff, senior staff and audit specialists

Position Summary: The Director of Internal Audit (DIA):

- Serves as the chief audit executive (CAE) of the Louisiana Community and Technical College System’s internal audit activity and as a member of the executive management team.
- Oversees advanced-level professional internal auditing work as a key component of the System’s governance structure, with emphasis on a risk-based approach designed to assist management in the attainment of their objectives.
- Directs a comprehensive internal audit program, including
 - performance, operational, financial, compliance and investigative audit projects;
 - providing consulting services to the organization’s management and staff;
 - providing direction to development of the annual internal audit plan;
 - providing ongoing training, coaching, and supervision to internal audit staff.
- Maintains organizational and professional ethical standards and ensures all internal audit activities are in compliance with The IIA’s *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Director of Internal Audit

- Works independently with extensive latitude for initiative and independent judgment.
- Develops and maintains credible, effective audit organization within parameters specified by the President and Audit Committee.
- Staffs internal auditing department with quality professionals to assure accomplishment of objectives.
- Assures appropriate hiring, orientation, development, training, and progress reviews for staff.
- Develops, implements, and maintains comprehensive program for monitoring, review, and evaluation of management controls to ensure protection of all assets.
- Understands organizational goals and objectives and stays abreast of new developments within the organization and legislative matters concerning LCTCS.
- Appraise the impact that changes in operations will have an impact on controls and the assessment of risk and determine that appropriate control action is taken.
- Seeks innovative ways to increase efficiency and effectiveness.
- Develops the annual internal audit plan. Develops a risk assessment analysis of the organization to begin the process of preparing the annual internal audit plan.
 - Verifies that the plan is administered.
 - Modifies / develops audit programs as required.
 - Executes audit programs as necessary.
- Interprets laws, rules, contracts, and regulations that will impact audit programs at LCTCS and ensures that LCTCS is in compliance with all mandated changes.
- Meets with audit department staff members and representatives of entities being audited to discuss audit findings and to work with these groups to establish Corrective Action Plans.
- Conducts periodic training workshops to promote awareness of and compliance with governance, risk management and internal controls policies.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Director of Internal Audit

- Maintains working relations with all levels of management to include Chancellors / Directors of member institutions through personal contact, oral and written communication. Travel is usually involved.
- Reports to the Audit Committee as follows:
 - Annual Audit Plan
 - Audit Schedule
 - Budget
 - Staffing
 - Status Reports
 - Significant Findings
 - Follow-up
 - Open Issues
- Represents the Internal Auditing Department at all LCTCS Board Meetings.
- Represents the Internal Auditing Department at all Audit Committee meetings.
- Serves as liaison with the Louisiana State Legislative Auditors.
- Discharges all basic management responsibilities common to all LCTCS department heads.
- Other duties as requested by the Board or President to the extent allowable without impairment of auditor independence and/or objectivity.

Minimum Qualifications:

- Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline.
- Incumbent or new hire must be a Certified Internal Auditor (CIA) or Certified Public Accountant (CPA).
- Master's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline and/or a 2nd certification (CISA/CFE preferred) are required.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Director of Internal Audit

- At least nine years of senior-level experience in internal auditing, systems analysis, accounting, or general management in higher education or public sector, including four years of supervisory experience.
- Managerial skills and experience incumbent upon executive level staff, including at least the following:
 - Budget preparation and management
 - Project management and scheduling
 - HR and personnel management skills
 - Office organization skills
- Knowledge and experience in the following areas:
 - The goals and mission of 2-year colleges
 - Risk assessment and risk management
 - Fraud detection and investigation
 - Auditing standards, techniques and procedures
- State and Federal regulations relating to institutions of higher education.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.
- Possess an appropriate combination of technical expertise in fields such as auditing, finance, technology, operations and investigations and a demonstrated ability to manage projects outside of personal focus of knowledge and experience.

Pay Range	Minimum	Midpoint	Maximum
Director of Internal Audit	\$ 94,000	\$ 129,250	\$ 164,500

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
F-10	Audit Intern	1210, 2030

Position Title:

Audit Intern

Position Classification:

Unclassified

Supervision Received:

Internal Audit Senior or above

Supervision Exercised:

None

Academic Credit:

LCTCS Internal Audit will coordinate with the intern's college to determine whether or not academic credit is to be awarded for the internship.

Duration:

Maximum hours:

- 20 hours per week when student is registered for class
- 29 hours per week when student is not registered for class

Position Summary:

The Audit Intern:

- Performs entry level internal auditing work.
- Assists in the conduct of compliance and financial audits for agency, including maintaining files of all work papers, maintaining all appropriate documentation, and assisting in preparing audit reports.
- Assists in operational (performance) audits of colleges and functions to determine operational effectiveness and efficiency.
- Maintains all organizational and professional ethical standards in compliance with The IIA's [*International Standards for the Professional Practice of Internal Auditing \(Standards\)*](#).
- Promotes operational efficiency throughout the organization.
- Works under close supervision on scope areas within the audit process.
- Supports team in meeting departmental and organizational objectives.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Staff Auditor

- Completes assigned audit work product, including preparation of work papers within standard time frames.
- Maintains positive relationship with audit client and acts in a professional manner.
- Other duties as assigned.

Minimum Qualifications:

- Junior or Senior candidate for Bachelor's Degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology or other business related discipline. Students in the LSU Center for Internal Auditing preferred.
- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.

Desired Knowledge, Skills and/or Experience:

- Proficient with computer applications used by the department such as EXCEL, PowerPoint, and ACCESS, etc.

The position may be paid or unpaid, depending on available funding.

When paid, the rate be determined in consultation with the LCTCS Human Resources and the LCTCS Budget offices.

This job description is intended only to describe the general nature of the position and does not constitute an all-inclusive list of duties, nor of the knowledge, skills, and abilities required to perform the job.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Section	Title	Standards Reference
F-14	Evaluation / Performance Appraisals	

Employee performance appraisals are used to provide internal auditors with feedback on their performance related to the execution of the annual internal audit plan. They are also used to identify opportunities to enhance internal auditor knowledge, skills, and other competencies through continuing professional development. Project Evaluations are used to improve the effectiveness and efficiency of the Internal Audit activity's operations.

Employee Evaluation Process

The Internal Audit activity follows LCTCS Policy #6.010 *Performance Evaluation and Salary Increases Suggested Performance Evaluation Instruments* for employee evaluations. Every employee should receive yearly feedback on work performance. The appraiser will use the *Professional and Administrative Evaluation and Planning Form* appraisal form. All performance appraisals are reviewed promptly with the individual being appraised.

Project Evaluation Process

At the completion of major projects, the evaluation/performance appraisal report – project will be completed. These reports will serve as support for the annual evaluation. All project evaluation/performance appraisals are reviewed promptly with the individual being appraised. See J-3 for the project appraisal report.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
G-1	Introduction to Quality	

The LCTCS Internal Audit activity seeks to conduct its affairs in conformance with the International Standards for the Professional Practice of Internal Auditing (1321). These standards require that *“(t)he chief audit executive ... develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.”* (1300)

LCTCS Internal Audit’s Quality Assurance and Improvement Program (QAIP) is designed to provide reasonable assurance to the various stakeholders of the Internal Audit activity that Internal Audit:

1. Performs its work in accordance with its Charter, which is consistent with The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (*Standards*)¹, Definition of Internal Auditing and Code of Ethics;
2. Operates in an effective and efficient manner; and
3. Is perceived by stakeholders as adding value and improving LCTCS’s operations.

To that end, Internal Audit’s Quality Improvement efforts will cover all aspects of the Internal Audit activity (1300) as follows:

- ✓ Governance of the Internal Audit activity
- ✓ Professional practices
- ✓ Appropriate communications

Quality Assurance will be provided by

- ✓ Both periodic and ongoing internal assessments (1310, 1311).
- ✓ An external assessment at least once every five years (1310, 1312), the results of which are communicated to the Board of Directors (BOD) through the Audit Committee of the Board of Directors (Audit Committee) (1320).

Any non-conformance identified by either internal or external quality assessments reviews that impact the scope or operations of the internal audit activity will be appropriately disclosed to LCTCS senior management and the board (1322).

The Director of Internal Audit (DIA) is ultimately responsible for the QAIP.

¹ References to specific standards are indicated by parentheses.

Version	Adopted Date	Effective Date
2.0		7/1/2016

ADMINISTRATIVE MATTERS

This policy will be appropriately updated for changes in the *Standards* or internal audit's operating environment.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
G-2	Internal Assessments	

A. Ongoing Monitoring – Quality must be built into the procedures of the Internal Audit activity not onto it. The most fundamental element of a QAIP is management’s ongoing oversight of Internal Audit’s work. Steps involved in this oversight include:

- Adequate planning and supervision of engagements (2200, 2300)
- Regular, documented review of work papers during engagements by appropriate Internal Audit staff (2300)
- The use of standardized tools and the application of appropriate audit policies and procedures.
- Feedback from customer survey on individual engagements
- Analyses of performance metrics established to improve the IAA effectiveness and efficiency
- All final reports and recommendations are reviewed and approved by a DIA

B. Periodic Assessments – Periodic assessments are designed to assess conformance with Internal Audit’s Charter, the *Standards*, Definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Periodic assessments will be conducted through:

- Bi-annual customer survey
- Annual risk assessments for purposes of audit planning
- Semi-annual work paper reviews for performance in accordance with internal audit policies and with the *Standards*
- Review of internal audit performance metrics and benchmarking of best practices, prepared and analyzed in accordance with Audit Policies and Procedures
- Periodic activity and performance reporting to the President and the Audit Committee

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System
Internal Audit Department
Standard Operating Procedures Manual

Section	Title	Standards Reference
G-3	External Assessments	

A. General Considerations – External assessments will appraise and express an opinion about internal audit’s conformance with the *Standards*, Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

B. Timing – An external assessment will be conducted every five years.

C. Scope of External Assessment – The external assessment will consist of a broad scope of coverage that includes the following elements of Internal Audit activity:

- Conformance with the *Standards*, Definition of Internal Auditing, the Code of Ethics, and internal audit’s Charter, plans policies, procedures, practices, and any applicable legislative and regulatory requirements.
- Expectations of Internal Audit as expressed by the Board of Supervisors, executive management, and operational managers.
- Integration of the Internal Audit activity into LCTCS’s governance process, including the audit relationship between and among the key groups involved in the process.
- Tools and techniques used by Internal Audit.
- The mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement.
- A determination whether Internal Audit adds value and improves LCTCS’s operations.

D. Approach – The Standards provide two approaches for compliance with the requirement for an external assessment:

1. Full external assessment
2. An internal self-assessment with independent external validation

LCTCS will ordinarily choose the second option. An internal self-assessment will be conducted and presented to an independent, external reviewer for validation. LCTCS may, when budgetary conditions allow, choose to have a full external evaluation.

E. Considerations – The qualifications and considerations of external reviewers as noted in The IIA’s Practice Advisory 1312-1 will be considered when contracting with an outside party to conduct the review.

Version	Adopted Date	Effective Date
2.0		7/1/2016

Louisiana Community and Technical College System

Internal Audit Department

Standard Operating Procedures Manual

Section	Title	Standards Reference
G-4	Reporting on the Quality Assurance Improvement Program	

- A. Internal Assessments** – Results of internal assessments will be reported to the Audit Committee and to the senior management at least annually.
- B. External Assessments** – Results of external assessments will be provided to the senior management and the Audit Committee. The external assessment report will be accompanied by a written action plan in response to significant comments and recommendations contained in the report.
- C. Follow-up** – The DIA will implement appropriate follow-up actions to ensure that recommendations made in the report and action plans developed are implemented in a reasonable timeframe.

Version	Adopted Date	Effective Date
2.0		7/1/2016

STRATEGIC GOALS

For internal audit to remain relevant, it should adapt to changing expectations and maintain alignment with the organization's objectives. The internal audit strategy is fundamental to remaining relevant — playing an important role in achieving the balance between cost and value, while making meaningful contributions to the organization's overall governance, risk management, and internal controls.

As stated in its Vision Statement, LCTCS Internal Audit is committed to aligning its work with the efforts of its stakeholders in meeting their goals and commitments. Specifically, LCTCS Internal Audit seeks to make its work of value in the achievement of the goals of *Our Louisiana 2020*. To that end, the following goals have been established for the ongoing work of LCTCS Internal Audit:

Strategic Goal #1 Provide assurance as to the quality of data being accumulated by the colleges and used for reporting in assessing achievement of the goals of *Our Louisiana 2020*.

Strategic Goal #2 Become a trusted partner to our senior stakeholders in the achieving of their *Our Louisiana 2020* goals

On the following pages, critical success factors for each of the above goals are identified, as will the key tasks to be completed and the metric by which success will be measured.

In addition, each of these goals will be mapped to the strengths, weaknesses, opportunities and threats that are identified and discussed in the SWOT Analysis (see Appendix G).

Strategic Goal #1

Provide assurance as to the quality of data being accumulated by the colleges and used for reporting in assessing achievement of the goals of *Our Louisiana 2020*.

Critical Success Factor

Each reviewed college will know, with 95% confidence, the estimated error rate in the college's reportable student data enabling them to take timely corrective action, if needed.

SWOT Mapping:

S – 1, 3, 6

W – 1, 2, 4, 6

O – 1, 2, 3

T – 2, 3, 5

Key Tasks

1. Identify and test controls over the recording of student data (OL2020 Goals 1, 3, 4)
2. Test actual student records for accuracy, completeness (OL2020 Goals 1, 3, 4)
3. Work with LCTCS and college Institutional Research to test accuracy and completeness of student earnings reporting (OL2020 Goal 2)
4. Work with LCTCS and college Workforce staff to test accuracy and completeness of business and industry partnerships reporting (OL2020 Goal 5)
5. Work with LCTCS and college Institutional Advancement to test accuracy and completeness of foundation assets reporting (OL2020 Goal 6)

Metrics

1. 95% confidence in reporting the estimated error rate in a college's student data

Timeframe

Initial reviews by June 30, 2018

Follow-up reviews by June 30, 2020

Strategic Goal #2

Become a trusted partner to our senior stakeholders in the achieving of their *Our Louisiana 2020* goals

Critical Success Factor

Increase the number of college initiated performance or consulting projects to two (2) per year.

SWOT Mapping:

S – 1, 3, 4, 6

W – 2, 3, 4, 5, 6

O – 1, 2, 4

T – 2, 3, 4, 5

Key Tasks

1. Raise the awareness of Internal Audit performance and consulting services among stakeholders
 - a. Internal Audit web presence
 - b. Newsletters
 - c. Formal and informal meetings with senior stakeholders
2. Increase IA visibility (LCTCS Conference days, entrance/exit attendance requirements, and presentations around the state).
3. Make stakeholders feel like the lines of communication between them and IA are always open.
4. Provide immediate and informal input
5. Identify champions of the Internal Audit mission.

Metrics

- Require a minimum contact meeting schedule where IA information is shared:
 - CFOs once per quarter
 - Chancellors twice per year
- Keep track of informal interactions with college personnel
- Keep track of requests
- Track response rates

Timeframe

24-36 months

INTERNAL AUDITING ACTIVITY STRATEGIC PLAN

Approved this _____ day of _____.

Chair of the Board of Supervisors

Chair of the Audit Committee

Chief Audit Executive

President

A SIGNED AND DATED COPY OF THE INTERNAL AUDIT CHARTER IS ON FILE IN THE OFFICE OF THE DIRECTOR OF INTERNAL AUDIT.

SWOT ANALYSIS

	<i>STRENGTHS – TO BE EMPLOYED</i>	<i>WEAKNESSES – TO BE ADDRESSED</i>
INTERNAL	<ol style="list-style-type: none"> 1. Independence and Objectivity 2. Strong support from LCTCS Board and Audit Committee 3. Competence in areas of internal controls, ethics, best practices and grants monitoring 4. Rapport with system and college leadership 5. Continuity of IA management (length of service) 6. Good audit processes (WP review and workflow) 7. Positive attitude and work ethic of staff 8. Open door policy 9. Reorganization of the Internal Audit Department 	<ol style="list-style-type: none"> 1. Breadth of the LCTCS audit universe 2. Lack of technology (automated WPs) 3. Shortage of staff / Employee turnover 4. Timeliness of report issuance, response to phone calls and requests for assistance 5. Absence of certain skills (e.g. Banner, IT Audit) 6. Unclear or insufficiently defined project goals 7. Quality Assurance Report (QAR) not completed 8. Follow-up projects on identified findings 9. Online filing structure is unorganized
	<i>OPPORTUNITIES – TO BE PURSUED</i>	<i>THREATS – TO BE ATTACKED</i>
EXTERNAL	<ol style="list-style-type: none"> 1. Our Louisiana 2020 2. Growth of LCTCS colleges 3. Legislative support for LCTCS 4. Leadership changes at the college and system level 5. Business investments in LA 6. OMB circular re-write 	<ol style="list-style-type: none"> 1. Budget cuts 2. Subsequent relaxing / bypassing of controls 3. College staff turnover 4. Changing federal and state regulations 5. Auditee perception of Internal Audit (we are still eyed suspiciously and/or adversarially) 6. OMB circular re-write 7. Negative LLA findings

A SWOT analysis is a process in which an entity, whether a company, governmental agency, division or even a single department, turns introspective and honest to identify its strengths, weaknesses, opportunities and threats, from which the term SWOT is derived. The first part of a SWOT analysis is an inward facing analysis of strengths and weaknesses. These are areas over which the entity has control and upon which the entity can either capitalize (strengths) or improve (weaknesses). The second part of the SWOT analysis is an outward facing analysis of opportunities and threats. These are areas over which the entity has very little control but which can affect the entity's efforts to accomplish its goals. Strengths should be used to *address* weaknesses, *pursue* opportunities and *attack* threats. The goals established by the entity are based on information gleaned from the SWOT analysis.

Internal Audit performed a SWOT analysis of its operations in preparation of its Strategic Plan.

STRENGTHS

1. **Independence and Objectivity** - Independence and objectivity allow IA to provide unbiased value-added recommendations.
2. **Strong support from LCTCS Board and Audit Committee** - LCTCS Audit Committee take its responsibility and role within the organization very seriously. They look at IA as adding value to the organization and they are understanding and supportive of the limitations that IA has to overcome.
3. **Competence in areas of internal controls, ethics, best practices and grants monitoring** - Experience in these areas allows IA to provide meaningful recommendations and guidance on an abundance of subject matters.
4. **Rapport with system and college leadership** - IA is considered a respected advisor. IA's recommendations are accepted and used to improve the System operations.
5. **Continuity of IA management (length of service)** - IA management has established relationships with many executives and staff throughout the LCTCS system. These long-term relationships bring a wealth of knowledge and support to the internal audit department.
6. **Good audit processes (WP review and workflow)** - By having two levels of review, IA is able to provide a reliable product that is substantiated with adequate supporting documentation.
7. **Positive attitude and work ethic of staff** - IA staff is passionate about the role that they play at the system office and take pride in adding value by assisting the system in achieving its goals.
8. **Open door policy** - IA has an open door policy in two ways. IA staff and management work together to improve the IA activity. IA management is open to staff ideas, and everyone works together to provide a reliable work product. IA also welcomes suggestions, questions and requests for guidance from throughout the system.
9. **Reorganization of department** - The reorganization of the audit department along with a new audit staff advancement matrix and job descriptions is designed to help the internal audit activity retain employees and institutional knowledge. This retention will improve the efficiency and effectiveness of audit engagements. Reorganization will also aid in recruitment.

WEAKNESSES

1. **Breadth of the LCTCS audit universe** - The LCTCS audit universe is broad and becoming more so over time. LCTCS IA must take a risk based approach to their project selection to give the system the most coverage with its limited resources.
2. **Lack of technology (automated WPs)** – Technology could be used to increase consistency between projects, track findings and followup, and reinforce standards compliance.
3. **Shortage of staff / Employee turnover** – Without sufficient staff, Internal Audit is unable to adequately address the full scope of the LCTCS risk universe.
4. **Timeliness of report issuance, response to phone calls and requests for assistance** – To be useful to management, reports must be issued and requests for assistance must be responded to in a timely manner. If too much time passes between the end of field work and the issuance of the report or between the request for assistance and the response, actions may have been taken or processes and controls may have changed, negating the usefulness and impact of the response or report and its findings and recommendations.
5. **Absence of certain skills (e.g. Banner, IT Audit)** – Professional standards require that auditors be competent to perform the projects they take on. The lack of certain skills limits the types of projects Internal Audit can undertake.
6. **Unclear or insufficiently defined project goals** – Project goals must be clearly defined in advance in order to prevent scope creep and to assure that the project is adding value to management’s efforts.
7. **Quality Assurance Report (QAR) not completed** – Internal Audit is committed to providing quality services that add value to management’s efforts. A QAR gives evidence to Internal Audit’s commitment to quality.
8. **Follow-up projects on identified findings** – Findings must be actionable and management’s commitment must be to timely action in response. Internal Audit’s follow-up determines whether management has taken seriously the commitment to respond.
9. **Online filing structure is unorganized** – An organized online filing system is necessary to avoid duplication of effort and to prevent duplication of stored documents

OPPORTUNITIES

1. **Our Louisiana 2020** – The adoption of a formal strategic plan for LCTCS allows the audit team to better align its projects with that of LCTCS. By understanding what is important to the organization for the next five years, the internal audit activity can better help the organization reach those goals.
2. **Growth of LCTCS colleges** – Our colleges are growing in response to the increased need for a well-trained workforce. They are laser focused on fine-tuning the number and content of their educational programs. Internal Audit has a role to play in monitoring and reporting on this growth.
3. **Legislative support for LCTCS** – Statewide legislative support for the LCTCS mission is improving, and the response they expect from our colleges is also rising. This response requires accurate and timely collection and reporting of data.
4. **Leadership changes at the college and system level** – Management changes often bring with them a desire for baseline assessments, controls evaluations and other services which Internal Audit, because of their independence and objectivity, is in a unique position to provide.
5. **Business investments in LA** – With increasing business investments in Louisiana, LCTCS is more focused than ever on the production of a trained workforce. This increases the need for the monitoring of crucial funding sources, credentials production and reporting efforts.
6. **OMB circular re-write** – The OMB circulars, which govern the federal education grants that the internal audit function monitors annually, have been rewritten so that one set of guidelines pertains to all grant recipients instead of multiple sets of rules to govern agencies depending on their specific legal classification. This rewrite should eliminate some of the recipients' confusion over which set of rules to follow. It should also reduce some of the audit planning necessary prior to the start of fieldwork on monitoring engagements.

THREATS

1. **Budget cuts** - Budget limitations prevent LCTCS IA from staffing the department to the level of the identified need.
2. **Subsequent relaxing / bypassing of controls** - Budget cuts at any level potentially create segregation of duties issues. Controls are often relaxed in environments where resources are scarce.
3. **College staff turnover** – Employee turnover at our colleges often occurs at lower staff levels, where most transactions take place and are recorded. This can lead to a loss of knowledge / experience. Staff turnover often highlights a lack of documented processes and procedures.
4. **Changing federal and state regulations** – New and/or changing regulations place significant pressures on colleges and, if left unaddressed, can lead to penalties, fines, reputational damage, sanctions, etc. The Affordable Care Act, Violence Against Women Act, Cleary Act, and many others, require that our colleges remain vigilant and proactive in their efforts to remain compliant.
5. **Auditee's negative perception of Internal Audit** – The need for auditor independence and objectivity make some view LCTCS IA adversarially. That will never go away entirely. Reaching out to our colleges and providing more consultative work would help the colleges view us also as partners.
6. **OMB circular re-write** - See above. The OMB circular rewrite affects the system office and all of our colleges. Budget cuts may prevent system employees from receiving the necessary formal training on these changes.
7. **Negative LLA findings** - LLA findings tend to find their way to the newspaper or TV. Bad press can lead to reputational damage. Internal Audit can partner with the colleges to review LLA findings and address them, mitigating any potential loss.

Louisiana Community & Technical College System
INTERNAL AUDIT DEPARTMENT

Date: June 8, 2016

To: Audit Committee of the LCTCS Board of Supervisors

Re: Audit Plan Completion Report for Fiscal Year 2015 – 2016
Risk Assessment for Fiscal Year 2016-2017
Proposed Audit Plan for Fiscal Year 2016 – 2017

Audit Plan Completion Report for Fiscal Year 2015 – 2016

Fiscal year 2015 – 2016 has been a challenging year for all of higher education, including the colleges of the LCTCS and no less so for Internal Audit (IA). LCTCS IA has received significant support and cooperation from the LCTCS Board of Supervisors, LCTCS Audit Committee, members of LCTCS senior management and the leadership and staff of LCTCS member colleges. We are grateful for this support.

We also affirm that LCTCS IA enjoys an organizational independence which allows it to fulfill its responsibilities with objectivity.

IA activity for the year can be summarized as follows:

- Eight reports issued
- Five reports in final stages with anticipated issue dates in June 2016
- Participation in five Office of Civil Rights site reviews with other LCTCS staff members
- Performed as External Validator for the Division of Administration's Internal Audit Quality Assurance Review (QAR)
- Completed our own Internal Audit QAR Self-Assessment
- Researched and responded to numerous special requests regarding ethics regulations, accounting procedures, internal controls and allegations of fraud.
- Ethics Liaison activities:
 - Monitoring of LCTCS employees with regard to required annual training
 - Monitoring of LCTCS Board of Supervisors with regard to required financial disclosures
 - Presented Ethics training sessions to LCTCS staff and colleges

Status of Fiscal 2015 – 2016 Audit Plan

With regard to the items in the approved Audit Plan for Fiscal 2015-2016, we report the following:

Agreed Upon Procedures

- Adult Education Fiscal Monitoring
 - Four reports issued
 - One report in final stages

- Perkins Fiscal and Programmatic Monitoring
 - Completed outstanding projects for fiscal year 2015 – Two reports issued
 - Fiscal year 2016
 - Two reports issued
 - Four reports under review with expected issue dates in June 2016
 - One site visit schedule for June, 2016
 - Civil Rights Monitoring – Participated in five OCR site visits. Reports not issued by LCTCS Internal Audit

Mandated Projects

- Purchasing Card Use and Management
 - One review complete
 - Four reviews in progress
- Travel Card Use and Management
 - One review complete
 - Four reviews in progress

Risk Based Projects

- Data Collection, Recording and Reporting Procedures Review – Not Started
- Financial Internal Controls Review – In Progress

Special Projects

- Internal Audit Quality Assurance Review
 - Self-Assessment – Complete
 - External Validation – Incomplete - Terminated
- As Requested

Comments on Internal Audit's Work During Fiscal 2015-2016

1. Quality Assurance Review – External Validation of Self-Assessment

LCTCS Internal Audit completed its self-assessment in January 2016 and prepared its draft report at that time. This report made the following six recommendations:

- A. Internal Audit should cultivate the necessary skills within the IA department to adequately address identified IT risks and should include with the annual audit plan adequate coverage of these risks.
- B. LCTCS IA should complete its current QAR as soon as possible and implement its Quality Assurance Improvement Plan (QAIP) which requires regular, ongoing reviews and required periodic QARs.
- C. The Director of Internal Audit (DIA) should work with LCTCS management and Audit Committee leadership to develop a plan for providing the IA activity with sufficient staffing to support completion of the approved annual plan. Understanding that LCTCS risk universe is dynamic, as are LCTCS IA's staffing and resources, Internal Audit should make sure that its efforts are focused on the highest risk and provide the highest added value.
- D. Internal Audit should develop a formal mechanism to track its recommendations and management's actions. This tracking mechanism could be used to adequately perform follow-up activities and as a basis for reporting to senior stakeholders of management's corrective actions.
- E. IA reports need to, whenever possible, draw a conclusion regarding the matter under review and must take the opportunity to make meaningful, value-added recommendations with regard to the matter.
- F. Regardless of project type, an audit program should be prepared. Even an investigative project that requires a little more leeway as to following leads needs to have proper identification and documentation of minimum steps and procedures. These need to be approved by IA management before work begins.

Internal Audit Response

- A. One staff auditor is currently preparing for certification as an Information Systems Auditor (CISA). The proposed audit plan for fiscal 2016-2017 includes a number of projects to address identified IT risks.

It must be understood, however, that significant progress against the identified risk universe will not be made at current staffing levels. The majority of Internal Audits efforts throughout the year have been expended on the projects required by law (fiscal monitoring of federal grants) and/or agency mandate (PCard / Travel Card transactions). As will be discussed further in later paragraphs, insufficient time is available to address the identified risk universe.

At present, Internal Audit is without one staff auditor from its most recent approved staffing level of three and without three from its highest approved

staffing level. In order to more adequately address the identified risk universe, Internal Audit plans to work with LCTCS senior management to secure sufficient additional staff auditors.

- B. Although the IA QAR Self-Assessment is complete, the work of the External Validation is not. The independent validator that undertook this task took issue with the extent of our progress on the identified risk portion of our audit plan. Whereas LCTCS IA concluded that the IA activity “Generally Complies” with the IIA Standards, in the draft of the independent validator’s report, he stated:

“... the validator is of the opinion that the IA activity “Partially Comforms” due to some key processes not being fully performed. As a result, these scope limitations limited my ability to perform a complete review. The processes not fully performed are as follows:

The 2014 -2015 Risk Assessment only identified risk factors and not the Audit Universe.

The 2014 – 2015 Audit Plan did not include any auditable entities determined by the Risk Assessment

No assurance activities were performed as a result of the 2014 – 2015 Risk Assessment and Audit Plan.

As a result, I could not evaluate compliance with the following standards:

- *Standard 1220 – Due Professional Care*
- *Standard 1300 – Quality Assurance and Improvement Program*
- *Standard 2010 – Planning*
- *Standard 2130 – Control*
- *Standard 2200 – Engagement Planning*
- *Standard 2210 – Engagement Objectives*
- *Standard 2220 – Engagement Scope*
- *Standard 2240 – Engagement Work Program*
- *Standard 2300 – Performing the Engagement*
- *Standard 2340 – Engagement Supervision*
- *Standard 2400 – Communicating Results*
- *Standard 2450 – Overall Opinions*
- *Standard 2500 – Monitoring Progress”*

LCTCS IA disagrees with this assessment.

1. IA does not believe that the validator experienced any scope limitation in his review. We agree with the assertion that we did not make sufficient progress on the identified risk universe, but that did not prevent the validator from making a sufficient review of IA’s work product.
2. The validator stated that we did not perform any assurance activities and as a result he was unable to assess compliance with the above referenced

standards. We agree with the assertion that we did not make sufficient progress on the identified risk universe, but we disagree that we did not perform assurance activities. All of the work we did perform was performed as assurance projects and the validator could have assessed standards compliance.

We were unable to come to an agreement regarding these matters with the external validator. We also believe that it would take too long to solicit another validator and there is no confidence that they would come to a different conclusion. We have therefore determined not to seek completion of the external validation and to proceed with the conclusions and recommendations of the IA QAR Self-Evaluation.

The ramifications of this is that LCTCS IA is unable to assert in its reports that its work was “*conducted in accordance with the International Standards for the Professional Practice of Internal Auditing*”, and this technically prevents us from complying with La. R.S. 17:3351(H) as enacted by Act 341 of the 2015 Regular Session which requires such compliance.

To address this matter, LCTCS IA has prepared a more formal Risk Assessment, included later in this report, and Audit Plan for fiscal year 2016-2017 and assuming the additional staffing referenced in “A” above, IA expects that they will make significant additional progress on its identified risk universe. We believe that after another two years, IA will be able to conduct another QAR with a successful external validation.

LCTCS IA further states emphatically that quality is an integral part of the LCTCS IA activity even though not formally documented to the appropriate extent. LCTCS IA strongly believes that this lack of formal compliance with the IIA quality standards in no way compromises the value of the work done by IA or the findings and recommendations reported to management and other stakeholders.

- C. Internal Audit agrees that appropriate software would assist the IA activity in the management of and follow-up on its recommendations. It would also assist IA to produce a consistent and complete work product, which in every case should include an audit program. To this end, in the coming year, IA plans to work with LCTCS senior management in an effort to assess and acquire competent audit management software.

2. Data Collection, Recording and Reporting Procedures Review

This project was brought forward from the 2014-2015 Audit Plan where it was begun briefly as a follow-up to certain GRAD Act findings. It was determined that a better definition of this project could be developed with regard to the goals of ***Our Louisiana 2020***. Such projects have been defined in the audit plan for fiscal year 2016-2017.

3. Not all of IA's work results in an issued report. Many of IA's responses to requests and inquiries from management are documented in memos and emails issued directly to management.

In addition, this year IA staff participated as team members assisting in the site visits for the evaluation of our colleges' U.S. Department of Education Office of Civil Rights compliance. While this work is documented in IA records, these were not IA projects and any reports issued were issued by departments other than IA.

Risk Assessment for Fiscal Year 2016 – 2017

Internal auditors are charged with aligning their work with the work of those they serve. By assessing the efforts to address the risks their constituents face to the attainment of identified goals, internal auditors give assurance as to the value to those efforts. The annual Risk Assessment is used to identify, quantify and prioritize those risks.

The Risk Assessment conducted by Internal Audit is focused on the preparation of its annual Audit Plan and does not constitute what is termed an Enterprise Risk Assessment or ERA, which is broader in scope and in the depth of analysis of collected data than is this Risk Assessment.

To gather the necessary data for the 2016-2017 Risk Assessment, Internal Audit performed the following tasks:

- Solicitation of input from our college chancellors and directors
- Analysis of findings of outside auditors – Legislative auditors, Board of Regents auditors, US Department of Education auditors and others
- Analysis of special projects over the last year.
- Discussions with senior LCTCS staff and LCTCS Board members

Based on these discussions and analyses, Internal Audit has compiled its audit universe, presented herein at the end of this document. Each item in the list is evaluated according to the type of risk, the probability of occurrence of a risk event, the impact of an occurrence of a risk event, the event's potential for fraud and the source of the risk identification.

For our purposes, risk is of five types:

- *Operational (O)*: Operational risks affect an ongoing management process. Are college resources being used in an effective and efficient manner?
- *Financial (F)*: Financial risks may result in the loss of assets, monetary or physical. Are cash receiving, purchase requisitions and other college financial processes handled as intended? Are assets maintained and protected in an appropriate manner? Does audit area aid in the creation of reliable financial reports? Are accounting records kept timely and correctly?
- *Compliance (C)*: Compliance risks affect compliance with laws, regulations, or internal policies. Is the department in compliance with state and federal laws and regulations, with System policies and procedures, with grants and other contractual requirements, and applicable college policies?
- *Reputational (R)*: Reputational risks affect the reputation of the college. Since the college's reputation has a direct impact upon student recruitment and retention, fundraising efforts, and the ability to attract well-qualified faculty and staff, it is

important to be sure that no department is engaged in any activity which might reflect adversely on the College. Activity which gives the appearance of being inappropriate can be as damaging as activity which actually is inappropriate.

- *Strategic (S)*: Strategic risks affect the ability to achieve goals and objectives. At an individual, departmental, and institutional level, the college must consider the "big picture", and take steps to ensure that its mission, goals and objectives are being met. Some activities may be viewed as counter-productive to the college's strategic plan.

These risks have been assigned the following values:

Reputational Risk.....	5
Strategic Risk	4
Financial Risk	3
Compliance Risk.....	2
Operational Risk	1

Identified risks for each line item are additive.

The Probability of Occurrence of a Risk Event, The Impact of the Occurrence of a Risk Event and Potential for Fraud Inherent in the Risk Event are rated as High (3), Medium (2) or Low (1).

An item's rank was determined by adding the Risk Value, the Probability of Occurrence Value, the Impact of Occurrence Value and the Fraud Potentiality Value, except that those items required by law were automatically given the highest rank (99).

Items of equal rank were sorted by Priority, as follows:

Projects Required by Law	1
Projects Suggested by Board Members	2
Projects Suggested by LCTCS Senior Staff.....	3
Projects Suggested by LCTCS Internal Audit	4

During the course of the year, as each identified risk on this list is addressed, a further review will be made to determine the specific college, department, program, etc. at which the risk is most prominent and the work of IA will be focused there as the auditable unit.

Proposed Audit Plan for Fiscal Year 2016 – 2017

Using the Risk Assessment produced above, IA proposes the following Audit Plan for fiscal 2016-2017.

Projects required by either federal and/or state laws and regulations are listed first with a Rank of 99.

Remaining projects are list in descending order by Rank rating.

It should be understood that the identification, control and mitigation of the risks identified in this plan is a function of management. LCTCS IA's function is to assist management by assessing and expressing assurance as to the existence and sufficiency of these efforts. The extent to which IA can perform this function is directly related to the resources available to the department.

Remaining risk is still the responsibility of management.

Louisiana Community and Technical College System
Internal Audit

Risk Assessment Matrix and Proposed Audit Plan- FY2016-2017

Potential Audit Area		Source	Priority	Risk Type	Value	Probability of Occurrence	Value	Impact of Occurrence	Value	Fraud Potentiality	Value	Rank
1	Adult Education Fiscal Monitoring Tests of the allowability, reasonableness and allocability of fiscal transactions	Federal Law	1	O/F/C	6	L	1	L	1	L	1	99
2	Carl D. Perkins Fiscal Monitoring Tests of the allowability, reasonableness and allocability of fiscal transactions	Federal Law	1	O/F/C	6	L	1	L	1	L	1	99
3	Purchase Cards Test internal controls, compliance, ensure cards are cancelled, controlled, purchases are valid	La. Office of State Purchasing	1	O/F/C	6	H	3	M	2	M	2	99
4	Travel Cards and Accounts Test internal controls, compliance, ensure cards are cancelled, controlled, purchases are valid	La. Office of State Purchasing	1	O/F/C	6	L	1	L	1	L	1	99
5	Special Requests Respond to special requests from LCTCS Board Members, Chancellors, Directors, LCTCS senior staff, etc.	Various	5	O/F/C/R/S	15	H	3	H	3	H	3	99
6	HR - Overtime / Ktime / Workers' Comp Assess compliance with LCTCS policies and state & federal laws regarding these HR related issues	LCTCS Senior Staff	3	O/F/C/R/S	15	H	3	H	3	H	3	24
7	Financial Analytics Analysis of billings and collections	LCTCS Board Inquiries	2	O/F/C/R/S	15	H	3	H	3	L	1	22
8	LCTCS Enterprise Services - Financial Aid Provide consulting services in the design and implementation of Financial Aid policies and processes	LCTCS Senior Staff	3	O/F/C/R/S	15	H	3	M	2	L	1	21
9	LCTCS Enterprise Services - Records Mgmt Provide consulting services in the design and implementation of Records Mgmt policies and processes	LCTCS Senior Staff	3	O/F/C/R/S	15	H	3	M	2	L	1	21
10	LCTCS Enterprise Services - Admissions Provide consulting services in the design and implementation of Admission policies and processes	LCTCS Senior Staff	3	O/F/C/R/S	15	H	3	L	1	L	1	20
11	OL2020 - Goal 1 - Double number of Graduates to 40K Annually Provide assurance in the reported number of graduates	LCTCS Senior Staff	3	O/F/C/R/S	15	M	2	M	2	L	1	20

Louisiana Community and Technical College System
Internal Audit

Risk Assessment Matrix and Proposed Audit Plan- FY2016-2017

Potential Audit Area		Source	Priority	Risk Type	Value	Probability of Occurrence	Value	Impact of Occurrence	Value	Fraud Potentiality	Value	Rank
12	OL2020 - Goal 4 - Double number of Students Served to 325K Annually Provide assurance in the reported number of students served	LCTCS Senior Staff	3	O/F/C/R/S	15	M	2	M	2	L	1	20
13	OL2020 - Goal 5 - Quadruple the Number of Partnerships w/ B&I to 1000 Annually Provide assurance in the reported number of partnerships with business and industry	LCTCS Senior Staff	3	O/F/C/R/S	15	M	2	M	2	L	1	20
14	Title IX, ADA, Sec 504 Assess compliance with these federal guidelines	LCTCS IA	4	O/F/C/R/S	15	L	1	H	3	L	1	20
15	Return to Title IV (R2T4) Provide assurance on the accuracy and timeliness of R2T4	LCTCS Board Inquiries	2	O/F/C/R	11	H	3	H	3	M	2	19
16	Moveable Property Provide assurance as to compliance with LCTCS and LPAA policies and procedures	LCTCS IA	4	O/F/C/R	11	H	3	H	3	M	2	19
17	Travel Reimbursements Provide assurance as to compliance with PPM 49	LCTCS IA	4	O/F/C/R	11	H	3	L	1	M	2	17
18	LCTCS Ethics Administration Ensure compliance with state law regarding Ethics training and financial disclosures	LA Board of Ethics	1	F/C/R	10	L	1	H	3	M	2	16
19	Technology Fee Audit Assess appropriate use of these fees.	LCTCS IA	4	O/F/C/R	11	M	2	M	2	L	1	16
20	Scholarships and Waivers Assess accurate application of LCTCS and college policies regarding scholarships and waivers	LCTCS IA	4	O/F/C/R	11	L	1	M	2	L	1	15
21	Contract Management and Review Assess compliance with state law and LCTCS policies and procedures	LCTCS IA	4	O/F/R	9	L	1	M	2	M	2	14
22	Vendor Management and Review Assess compliance with state law and LCTCS policies and procedures	LCTCS IA	4	O/F/R	9	L	1	M	2	M	2	14
23	IT Audit - Software Licensing Compliance Provide assurance in the licensing of installed software	LCTCS Senior Staff	3	O/C/R	8	M	2	M	2	L	1	13
24	Follow-up on Prior Audit Findings Review management's response to previous audit findings, whether IA, LLA or other	LCTCS IA	4	O/F/C	6	H	3	H	3	L	1	13

Louisiana Community and Technical College System
Internal Audit

Risk Assessment Matrix and Proposed Audit Plan- FY2016-2017

Potential Audit Area		Source	Priority	Risk Type	Value	Probability of Occurrence	Value	Impact of Occurrence	Value	Fraud Potentiality	Value	Rank
25	HR - ACA Lookback Provide assurance as to compliance with federal law and LCTCS policies and procedures	LCTCS Senior Staff	3	O/F/C	6	M	2	H	3	L	1	12
26	HR / SIS - Error Reporting Provide assurance that errors are reviewed and corrected on a timely basis	LCTCS Senior Staff	3	O/F/C	6	H	3	M	2	L	1	12
27	IT Audit - Access Controls Review Provide assurance in the effective implementation of IT access controls	LCTCS IA	4	O/F/C	6	M	2	M	2	M	2	12
28	HR - Holidays / Acts of God / Other Days Provide assurance as to compliance with state law and LCTCS policies and procedures	LCTCS Senior Staff	3	O/F/C	6	M	2	M	2	L	1	11
29	Elected Officials Assess compliance with LCTCS policy regarding employees holding of elected office	LCTCS IA	4	C/R	7	L	1	L	1	L	1	10
30	IT Audit - General Controls Review Provide assurance in the effective design and implementation of general IT controls	LCTCS IA	4	O	1	H	3	H	3	L	1	8