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Creating Futures***

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Stephen C. Smith
Craig Spohn
Stephen Toups

Student Members:
Matthew Durette
Franchesca Jimenez

Louisiana
Community
& Technical
College System

265 South Foster Drive
Baton Rouge, LA 70806

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

www.lctcs.edu

LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

To: Mr. Craig Spohn
Audit Committee Chair

From: Michael Redmond
Director of Internal Audit

Date: December 7, 2022

Subject: Approval of Internal Audit Policies Manual

FOR COMMITTEE ACTION

Recommendation: Staff recommends that the Audit Committee of the LCTCS Board of Supervisors approve the Internal Audit Policies Manual – December 2022 Revision as presented by the Internal Audit Director to be effective upon approval.

Background: The *Auditing Standards Manual* (manual) has been prepared to ensure compliance with the 2017 Edition of the *International Professional Practices Framework (IPPF)*, which is developed and maintained by the Institute of Internal Auditors (IIA).

History of Prior Actions: While minor changes were made to this manual subsequent to its initial adoption in 2002, a major restructuring and enhancement to the manual to bring it up to date with current developments in internal audit research and best practices was performed in conjunction with Internal Audit's Quality Assurance Review in 2016. An additional review conducted along with Internal Audit's 2018 interim internal quality assessment incorporates additional advancements in internal audit practice and standards. The manual, as currently revised, was approved by the Committee and has been in effect since April 10, 2019.

Benefits to the System: This Manual is intended to provide LCTCS IA staff with authoritative guidance, tools, and information to manage the internal audit activity – planning, conducting, and reporting on internal auditing engagements.

Approved for Recommendation to the Committee
Craig Spohn, Audit Committee Chair

Date

**LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM**

INTERNAL AUDIT DEPARTMENT

INTERNAL AUDITING POLICIES MANUAL



DECEMBER 2022 REVISION

**LOUISIANA COMMUNITY AND TECHNICAL COLLEGE
SYSTEM**

Willie L. Mount
Board of Supervisors Chair

Craig Spohn
Audit Committee Chair

Dr. Monty Sullivan
LCTCS President

Internal Audit

Michael G. Redmond
CPA, CIA, CFE, CISA, CGEIT, MS
Director of Internal Audit

Jeff Fleming
CIA, CFE
Interim Internal Audit Senior Manager

Charles G. E. Wendt
CPA
Senior Staff Auditor



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Date: December 7, 2022

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Subject: Approval of *Internal Auditing Policies Manual*

The *Internal Auditing Policies Manual* was presented to the Audit Committee for review and approval at its meeting on December 7, 2022. It was unanimously approved by the committee and became effective upon approval.

Craig Spohn, Audit Committee Chair

Date

Michael G. Redmond, Internal Audit Director

Date

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ACRONYMNS

Acronyms used throughout the audit manual are defined as follows:

Table of Acronyms	
ACFE	Association of Certified Fraud Examiners
AIC	Auditor-in-Charge
AICPA	Association of International Certified Professional Accountants
Board	Board of Supervisors for the LCTCS
CAE	Chief Audit Executive
CFE	Certified Fraud Examiner
Chancellor	Individual LCTCS College Chancellors
CIA	Certified Internal Auditor (Issued by IIA)
CISA	Certified Information Systems Auditor
CPA	Certified Public Accountant
Director	LCTCS Internal Audit Director (also CAE)
IA	LCTCS Internal Audit Department (also LCTCS IA)
IIA	Institute of Internal Auditors
IPPF	International Professional Practices Framework (developed by the IIA; also IIA Standards)
IS	Information Systems
ISACA	Information Systems Audit and Control Association
LCTCS	Louisiana Community and Technical College System (also System)
President	LCTCS President
Standards	International Standards for the Professional Practice of Internal Auditing
SWOT	SWOT Analysis - Strengths, Weaknesses, and External Opportunities and Threats

SECTION A – INTRODUCTION

Section-Title	Standards Reference
A-1 – PREFACE	

The LCTCS Board is responsible for establishing an internal audit function operating under the auspices of an independent audit committee, that is appropriately resourced and operating in accordance with professional internal auditing standards and system policies. LCTCS established the internal audit activity on March 13, 2002, to provide the Board, System, and College management, and other stakeholders with assurances independent from management on risk assessment, management, control, and governance processes.

The *Auditing Standards Manual* (manual) has been prepared to ensure compliance with the 2017 Edition of the IPPF, which is developed and maintained by the IIA.

August 2022 Revision

The August 2022 manual revision is intended to ensure the manual is consistent with current internal audit standards and is performed in conjunction with Internal Audit's 2022 quality assurance review.

Section-Title	Standards Reference
A-2 – PURPOSE AND SCOPE	

This manual is intended to provide LCTCS IA staff with authoritative guidance, tools, and information to manage the internal audit activity – planning, conducting, and reporting on internal auditing engagements. The *Internal Auditing Procedures Manual*, which has been developed to provide IA staff with practical guidance related to LCTCS specific conducting engagements, accompanies the *Internal Auditing Policies Manual*.

IA staff are assumed to possess at least basic knowledge and understanding of management frameworks and controls and to be capable of exercising sound professional judgment. The manual brings to the users’ attention applicable standards that must be considered when managing the internal audit activity, as defined above, when identifying internal auditing engagements that will strengthen LCTCS’s management control framework.

If IA staff encounter situations where they believe the guidance in the manual for applying the standards conflicts with what they believe to be the most effective approach, they should consult with more senior IA staff.

This manual is intended to facilitate the performance of IA engagements with the rigor and professional due care necessary for the assurance and consulting services as envisioned in the IIA’s *Standards*. Only engagements conducted with due care and rigor in accordance with the IIA *Standards*, in conjunction with the *Internal Auditing Procedures Manual*, provide the foundation for the provision of assurance services and consulting services.

Section-Title	Standards Reference
A-3 – ORGANIZATION OF THE MANUAL	

A. This Manual is divided into the following sections:

Section	Title	Description
A	Introduction	Describes the purpose and expected users of the manual.
B	The Internal Audit Profession	Functions to provide independent and objective assurance and consulting services, analyses and appraisals designed to add value and improve system operations and the effectiveness of governance and risk management processes and internal controls environment.
C	The LCTCS Board of Supervisors and Internal Audit	Identifies the reporting relationship between the LCTCS Board and LCTCS IA.
D	Operating Procedures	Details the written instructions and records of procedures agreed and adopted as standard.
E	Planning and Performance	Outlines the processes followed to identify the most appropriate IA engagements to be undertaken.
F	Resources, Staffing, and Development	Establishes and maintains a resource allocation plan to help ensure adequate audit coverage of the identified high risk audit areas of the System.
G	Quality Assurance and Improvement	Summarizes expectations and activities for quality assurance during the performance of individual IA engagements and at periodic intervals with respect to the overall IA activity.
	Appendices	Supplements and expands upon the guidance provided in this Manual.

B. Modifications to this Manual

This manual is acknowledged to be a fluid document, subject to regular change and updating to reflect current industry standards and best practices. Sections will be added, deleted and/or changed as necessary and will be presented to the Board for approval when they are updated.

This manual will undergo a full review at least once every five years as part of the required Quality Assurance Review (see Section G of this manual). This comprehensive review will be submitted to the Audit Committee for review and approval.

SECTION B – THE INTERNAL AUDIT PROFESSION

Section-Title	Standards Reference
B-1 – PROFESSIONAL GUIDANCE AND OVERSIGHT	

LCTCS IA strives for the highest degree of professionalism, both organizationally and individually. To that end, IA’s work is guided by the mandatory standards and recommended practices of several relevant professional organizations.

The Institute of Internal Auditors (IIA)¹

The foundation for the LCTCS internal audit activity is the IIA’s IPPF, which organizes the IIA’s authoritative guidance in a manner that is readily accessible on a timely basis while strengthening the position of the IIA as the standard-setting body for the internal audit profession.

Established in 1941, the IIA is a global professional association dedicated to the continuing professional development of the internal audit profession and of individual internal auditors. IIA stewards and promulgates the *International Standards for the Professional Practice of Internal Auditing* and is the profession’s global voice, recognized authority, acknowledged leader, chief advocate, and principal educator: advocating its value, promoting best practices, and providing exceptional service to its members.

The IIA’s Mission

The IIA’s stated mission is, “To enhance and protect organizational value by providing risk-based objective assurance, advice, and insight.” Activities supporting IIA’s mission include, but are not limited to:

- Advocating and promoting the value that internal audit professionals add to their organizations.
- Providing comprehensive professional education and development opportunities, standards and other professional practice guidance, and certification programs.
- Researching, disseminating, and promoting knowledge to practitioners and stakeholders related to internal auditing and its appropriate role in control, risk management, and government.
- Educating practitioners and other relevant audiences on best practices in internal auditing.
- Bringing together internal auditors from all countries to share information and experiences.

IIA issues the CIA professional designation.

¹ Institute of Internal Auditors website, <https://www.theiia.org/en/about-us/>

Association of College and University Auditors (ACUA)²

LCTCS IA looks to ACUA guidance to help focus on the processes and procedures incumbent to institutions of higher education.

ACUA is a professional organization comprised of audit, risk and compliance professionals from all over the globe, focusing solely on higher education. ACUA strives to assist the institutions it serves by continually improve the internal operations and processes of those institutions through continued professional development and by sharing experiences with friends and colleagues.

ACUA was founded in 1958 and serves over 500 institutions of higher education. Member institutions, most of which are in the United States and Canada, include schools of all sizes from community colleges to large university systems, both public and private.

ACUA also has a strategic goal of being the recognized advocate and leading expert for internal auditing in higher education. As such, ACUA strives to be the credible source of internal auditing information and knowledge to other higher education associations, strategic partners, and the public.

Information Systems Audit and Control Association (ISACA)³

IS audits are guided by ISACA principles and standards.

ISACA was originally incorporated as the EDP Auditors Association in 1969 by individuals who recognized a need for a centralized source of information and guidance in the growing field of auditing controls for computer systems. Today, ISACA serves 150,000 professionals in assurance, governance, risk, and information security in 188 countries. ISACA has become a pace-setting global organization with its IS auditing and control standards followed by the organization's members. Its research pinpoints professional issues challenging its constituents.

ISACA's various certifications include the CISA and Certified in the Governance of Enterprise IT (CGEIT), which are recognized globally and have been earned by more than 109,000 professionals since the organization's inception.

Association of Certified Fraud Examiners (ACFE)⁴

LCTCS IA projects involving the investigation of allegations of fraud or wrongdoing are aided by the principles and practices of the ACFE. The ACFE is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. Together with more than 90,000

² ACUA website, <https://acua.org/About-ACUA/General-Information>

³ ISACA website, <https://www.isaca.org/why-isaca/about-us>

⁴ ACFE website, <https://www.acfe.com/about-the-acfe>

members, the ACFE is reducing business fraud world-wide and inspiring public confidence in the integrity and objectivity within the profession.

ACFE's mission is to reduce the incidence of fraud and white-collar crime and to assist the membership in fraud detection and deterrence. To accomplish that mission, the ACFE:

- Provides bona fide qualifications for CFEs through administration of the CFE Examination.
- Sets high standards for admission, including demonstrated competence through mandatory continuing professional education.
- Requires CFEs to adhere to a strict code of professional conduct and ethics.
- Serves as the international representative for CFEs to business, government, and academic institutions.
- Provides leadership to inspire public confidence in the integrity, objectivity, and professionalism of CFEs.

Association of International of Certified Professional Accountants (AICPA)⁵

Founded in 1887, the AICPA represents the CPA profession nationally regarding rule-making and standard-setting, and serves as an advocate before legislative bodies, public interest groups, and other professional organizations. With approximately 689,000 members worldwide, the AICPA:

- Develops auditing standards for audits of private companies and governmental entities (in concert with *Government Auditing Standards*, commonly referred to as the *Yellow Book*, established by the United States Government Accountability Office) and other services by CPAs
- Provides educational guidance materials to its members
- Develops and grades the Uniform CPA Examination
- Monitors and enforces compliance with the profession's technical and ethical standards.

The AICPA's founding established accountancy as a profession distinguished by rigorous educational requirements, high professional standards, a strict code of professional ethics, a licensing status, and a commitment to serving the public interest.

⁵ AICPA website, <https://www.aicpa.org/resources/landing/about> (formerly the American Institute of Certified Public Accountants, but the name was changed to recognize the inclusion of the Chartered Institute of Management Accountants)

Section-Title	Standards Reference
B-2 – THE DEFINITION OF INTERNAL AUDITING	§1000

The IIA officially defines internal auditing as follows:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The IIA's *Core Principles for the Professional Practice of Internal Auditing* states internal auditing:

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence.
- Aligns with the strategies, objectives, and risks of the organization.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organizational improvement.

Section-Title	Standards Reference
B-3 – THE IIA CODE OF ETHICS	§§1000, 1010

The purpose of IIA’s *Code of Ethics* is to promote an ethical culture in the profession of internal auditing, and establishes the principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct and behavioral expectations rather than specific activities.

Introduction to the Code of Ethics

A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about governance, risk management, and control.

The *Code of Ethics* extends beyond the *Definition of Internal Auditing* to include two essential components:

1. Principles that are relevant to the profession and practice of internal auditing.
2. Rules of Conduct that describe behavior norms expected of internal auditors. These rules are an aid to interpreting the principles into practical applications and are intended to guide the ethical conduct of internal auditors.

“Internal auditors” refers to Institute members, recipients of or candidates for IIA professional certifications, and those who perform internal audit services within the *Definition of Internal Auditing*.

Applicability and Enforcement of the Code of Ethics

This *Code of Ethics* applies to both entities and individuals that perform internal audit services. For IIA members and recipients of or candidates for IIA professional certifications, breaches of the *Code of Ethics* will be evaluated and administered according to The Institute’s *Bylaws and Administrative Directives*. The fact that a particular conduct is not mentioned in the *Rules of Conduct* does not prevent it from being unacceptable or discreditable, and therefore, the member, certification holder, or candidate can be liable for disciplinary action.

Principles

Internal auditors are expected to apply and uphold the following principles:

1. Integrity

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.

2. Objectivity

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments

3. Confidentiality

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

4. Competency

Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

Rules of Conduct

1. Integrity

Internal auditors:

- 1.1 Shall perform their work with honesty, diligence, and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. Objectivity

Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may conflict with the interests of the organization.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.

3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. Competency

Internal auditors:

4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.

4.2 Shall perform internal audit services in accordance with the *Standards*.

4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.

The other professional organizations to which LCTCS IA ascribes also require their members to comply with the requisite code of ethics and by reference those codes are included here. It is the belief of the LCTCS internal audit activity, however, that those codes are encompassed within the IIA code herein reproduced and that compliance with the IIA *Code of Ethics* can be deemed compliance with those alternate codes.

Section-Title	Standards Reference
B-4 – THE INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING (<i>STANDARDS</i>)	§1010

Throughout the world, internal audit activities are performed in diverse legal and cultural environments; within organizations that vary in purpose, size, and structure; and by persons within or outside the organization. These differences may affect the practice of internal auditing in each environment. However, compliance with the *Standards* is essential if the responsibilities of internal auditors are to be met.

Standards are principle-based and provide a framework for performing and promoting internal auditing. The *Standards* are mandatory requirements consisting of:

- Statements of core requirements for the professional practice of internal auditing and for evaluating the effectiveness of performance. The requirements are internationally applicable at organizational and individual levels.
- Interpretations, which clarify terms or concepts within the statements.
- Glossary terms.

It is necessary to consider both the statements and their interpretations to understand and apply the *Standards* correctly. The *Standards* employ terms that have been given specific meanings as noted in the Glossary to the *Standards*.

The purpose of the *Standards* is to:

1. Guide adherence with the mandatory elements of the IPPF.
2. Delineate basic principles that represent the practice of internal auditing as it should be.
3. Provide a framework for performing and promoting a broad range of value-added internal audit activities.
4. Establish the basis for the measurement of internal audit performance.
5. Foster improved organizational processes and operations.

The IIA Standards Board (IIASB) released a revision to the *Standards*, effective January 1, 2017, following consideration and approval by the IPPF Oversight Council (IPPFOC). By reference, the entire contents of the *Standards*, as currently promulgated by IIA, are made a part of this manual.

SECTION C – THE LCTCS BOARD OF SUPERVISORS AND INTERNAL AUDIT

Section-Title	Standards Reference
C-1 – AUDIT COMMITTEE RELATIONS	§§1111, 2060

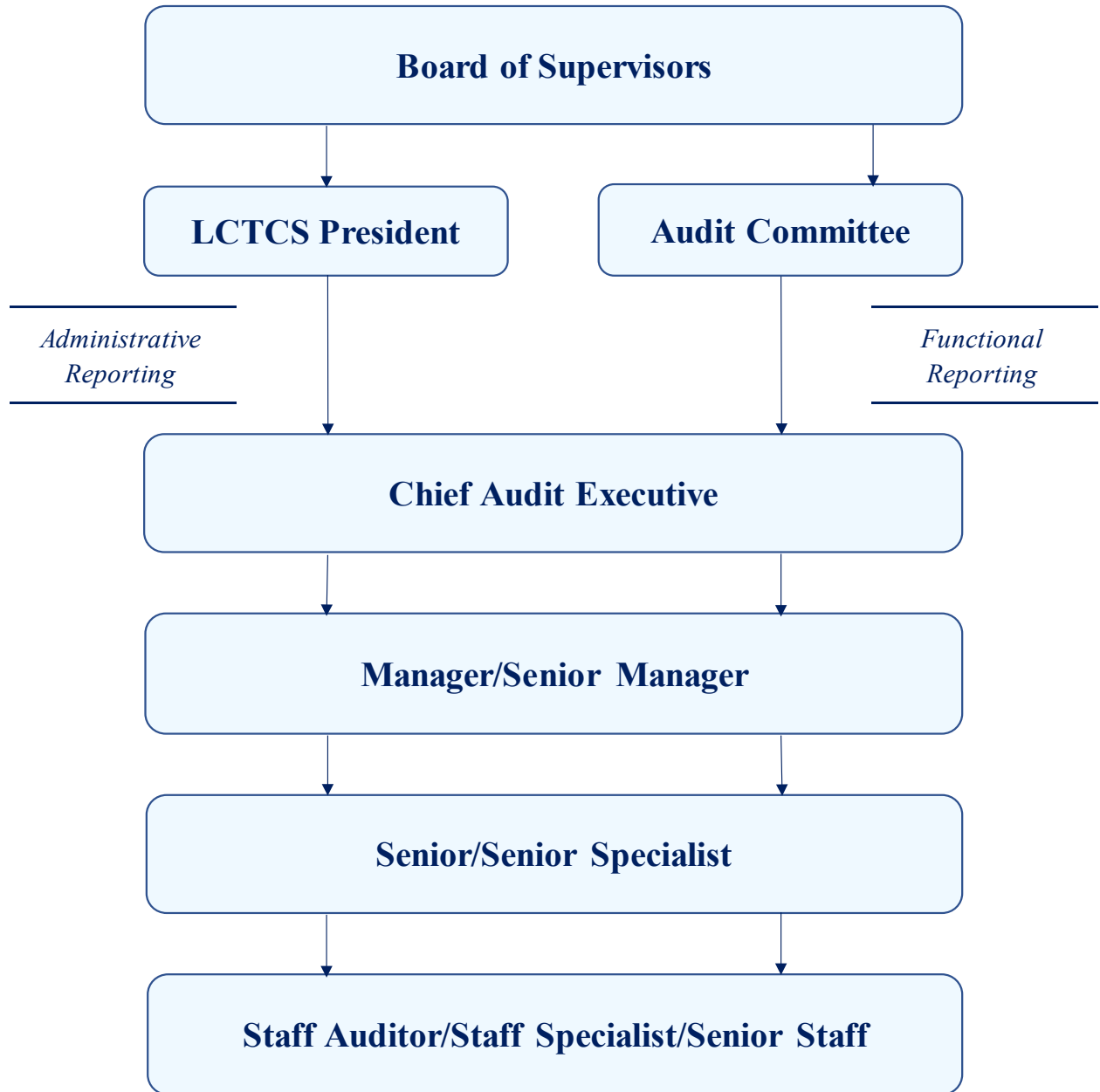
The LCTCS Audit Committee is a duly established standing committee of the Board. The Audit Committee Charter can be found in Appendix C. IA reports functionally to the Audit Committee (see the organization chart in Section C-2).

Each year, IA submits its work plan, which outlines the activities for the coming year, to the Audit Committee for its review and approval. The activities may include:

- Assisting with audits that are required so the entity may qualify to receive funding from Federal and State sources.
- Completing audits requested by the Board, President, and/or colleges.
- Completing investigations of fraud and impropriety.
- Conducting audits of school activity funds.
- Conducting audits of procurement activity.
- Providing client assistance to schools and offices that includes research of current laws, regulations, and best practices, as well as analysis of relevant data.

IA meets formally with the Audit Committee at least three times annually but may meet more frequently if needed as determined in consultation with the Audit Committee Chair. In addition, the IA Director has free and open access to the Audit Committee Chair.

Section-Title	Standards Reference
C-2 – INTERNAL AUDIT ORGANIZATION CHART	§§1100, 1200



Chief Audit Executive Reporting Relationships

- Functional Reporting to Audit Committee
 - Annual Audit Report
 - Annual Audit Plan
 - Budget and Resource Requirements
 - Open Issues File
 - Copies of All Audit Reports
- Administrative Reporting to the President
 - Budget
 - Office Facilities
 - Performance Evaluations
 - Travel
 - Staffing (Hiring and terminating the Director requires approval of Audit Committee)
 - Annual Audit Plan
 - Annual Audit Report
 - Open Issues File
 - Copies of All Audit Reports

Section-Title	Standards Reference
C-3 – OPERATING PROTOCOL	§§1110, 2000

IA operates in accordance with its charter, originally established by the Board in March 2002 and as modified in August 2008, June 2015 and April 2019 (See Section D-1). The charter established the Office of Internal Audit as an independent assurance and consultancy office that reports directly to the Board. The charter also sets forth the responsibilities and authority of the Office of Internal Audit.

The Director has the responsibility to:

1. Submit a formal risk-based work plan to the Audit Committee for its approval. The submitted plan may also include one or more of the following:
 - a. Goals and strategies
 - b. Operating budget
 - c. Available staff resource hours, and
 - d. Annual requirements for the upcoming fiscal year.
2. Obtain approval from the Board President and/or the Audit Committee Chair for any significant additions, deletions, and/or changes to the approved work plan.
3. Obtain approval from the Board President and/or the Audit Committee Chair prior to addressing Board member requests.
4. Submit a report to the Audit Committee annually, which at a minimum includes the following:
 - a. Summary of work accomplished
 - b. Comparison of work accomplished to the approved audit plan
 - c. Issues and barriers to the mission of the internal audit activity, and
 - d. Goals and objectives for the coming year.

Section-Title	Standards Reference
C-4 – REPORTING PROTOCOL	§§1110, 2000

The Director’s reporting responsibilities are to:

1. Notify the President and the Audit Committee Chair of any events that will have a significant impact on the LCTCS or its member institutions.
2. Notify the President and the Audit Committee Chair when access to any LCTCS functions, records, property, or personnel is restricted.
3. Notify the President, the Audit Committee Chair, the appropriate college chancellor/ director, and relevant parties of audit results or investigations that indicate waste, abuse, or fraud.
4. Report regularly to the Audit Committee. In addition, periodic meetings with the President, the Audit Committee Chair, and the Director are held to provide an opportunity to discuss the results of the reports issued between such meetings and any matters that are considered critical and/or confidential.
5. Distribute reports to the Board via the President and the Audit Committee Chair.
6. Report annually to the Board a summary of the work of IA activity to include an analysis of the progress made on the approved annual work plan.

SECTION D – OPERATING PROCEDURES

Section-Title	Standards Reference
D-1 – INTERNAL AUDIT CHARTER	§§1000, 1100, 1200, 2000

Introduction

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Louisiana Community and Technical College System (LCTCS). The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. It assists the LCTCS in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, control, and governance processes.

Role

The internal audit activity is established by the Board of Supervisors, and its responsibilities are defined by the Audit Committee as part of their oversight function.

Professional Standards

The internal audit activity shall govern itself by adherence to the mandatory guidance of the Institute of Internal Auditor’s ***International Professional Practices Framework***, including the Core Principles for the Professional Practice of Internal Auditing; the Definition of Internal Auditing, the Code of Ethics and the ***International Standards for the Professional Practice of Internal Auditing (Standards)***. These documents shall constitute the operating procedures for the activity and the measure for evaluating the effectiveness of the internal audit activity’s performance. They are, by reference, made a part of this charter.

The Institute of Internal Auditors’ Practice Advisories, Practice Guides and Position Papers will be adhered to as applicable. In addition, the internal audit activity will adhere to LCTCS policies and procedures and internal audit activity’s Policies and Procedures Manuals.

Authority

Authority is granted for full, free, and unrestricted access to any and all of LCTCS records, physical properties, and personnel relevant to any function under review. Authority is granted to the Chief Audit Executive to allocate resources, set frequencies, select subjects, determine scopes of work, and apply techniques required to accomplish audit objectives and issue reports. All employees are requested to assist the internal audit activity in fulfilling their function. The internal

audit activity shall also have free and unrestricted access to the Chairman of the Board of Supervisors and the Audit Committee.

Documents and information given to the internal audit activity during a periodic review will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

Organization

The Chief Audit Executive shall report administratively (i.e. day to day activities) to the President and functionally to the Audit Committee of The Board of Supervisors.

Independence

All internal audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

Internal Auditors shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined and will disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. Internal auditors will not subordinate their judgement on audit matters to others.

Audit Scope

The scope of internal auditing encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, the Audit Committee, senior management and others stakeholders on the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

It includes:

- Evaluating risk exposure to achievement of the organization's strategic objectives.

- Reviewing and evaluating the actions of LCTCS officers, directors, employees, and contractors for compliance with LCTCS policies, procedures and applicable laws, regulations, and governance standards.
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is complying.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing and appraising the economy and efficiency with which resources are employed.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out effectively and efficiently.
- Monitoring and evaluating the effectiveness of the organization's risk management system.
- Monitoring and evaluating governance processes.
- Reviewing the quality of performance of other audit functions and the degree of coordination with internal audit.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization.
- Reviewing specific operations at the request of the President, Chancellors, Audit Committee, Finance Committee or Board of Supervisors, as appropriate.

Audit Planning and Reporting

The chief audit executive shall:

- Annually submit to the President and the Audit Committee, for review and approval, a summary of the proposed risk-based audit work schedule, staffing plan, and budget for the following fiscal year.
- Review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems and controls.
- Communicate to the President and Audit Committee through periodic activity reports, any significant deviation from the formally approved work schedule.
- Prepare a report, written or otherwise, following the conclusion of each audit to be distributed as appropriate.

- A copy of each audit report and a summarization will be forwarded to the President, the Chairman of the Audit Committee, and the appropriate Chancellor.
- The Chief Audit Executive may include in the audit report the auditee’s response and corrective action taken or to be taken regarding the specific findings and recommendations.
- Management’s response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.
- In cases where a response is not included within the audit report, management of the audited area should respond, in writing, within thirty days of publication to Internal Auditing and those on the distribution list.
- Be responsible for appropriate follow-up on audit findings and recommendations.
 - All significant findings will remain in an open issues file until cleared by the Chief Audit Executive or the Audit Committee.
- Confirm to the board, at least annually:
 - The organizational independence of the internal audit activity.
 - The adequacy of the purpose, authority, and responsibility granted by the Audit Charter.
 - Any scope limitations or other restrictions preventing internal audit from performing its duties.
 - The internal audit activity’s performance relative to its plan.
 - The internal audit activity’s conformance to the IIA’s Code of Ethics and *Standards* and any actions necessary to address conformance issues.
 - Significant risks exposures and control issues.
 - Deficiencies in resources, staffing and training that may impair internal audit’s ability to perform its duties.

Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity’s conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Chief Audit Executive will communicate to senior management and the Audit Committee on the internal audit activity’s quality assurance and improvement program, including results of

internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified assessor or assessment team from outside LCTCS.

CHARTER OF INTERNAL AUDITING ACTIVITY

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.

Section-Title	Standards Reference
D-2 – VISION, MISSION, AND VALUE STATEMENTS	§§1000, 1300

Vision

Internal Audit endeavors to be a trusted advisor, a capable business partner, a promoter of best practices and an agent of positive change to the Board, senior system management, college leadership and other internal stakeholders in their efforts to meet and exceed their goals and objectives in the preparation of Louisiana’s workforce.

Mission

LCTCS Internal Audit assists the Board, senior system management, college leadership and other internal stakeholders in the effective discharge of their fiduciary and administrative responsibilities using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. This assistance is provided through a series of independent and objective operational and compliance audits, internal control reviews, investigations, and advisory services designed to add value and improve operations.

Values

The Office of Internal Audit is committed to certain values in carrying out its mission:

- Providing excellent service to the LCTCS Board and to Louisiana’s Community and Technical Colleges
- Performing our examinations in accordance with applicable standards established by the Institute of Internal Auditors (IIA), the American Institute of Certified Public Accountants (AICPA), ISACA and the Association of Certified Fraud Examiners (ACFE)
- Maintaining our independence, objectivity, and confidentiality in the performance of our work
- Adhering to the highest degree of fairness, integrity, and ethical conduct
- Characterizing our relationships with the LCTCS Board and to Louisiana’s Community and Technical Colleges with respect, helpfulness, openness, and loyalty.
- Maintaining our professionalism as internal auditors through continuance of our education and training

Section-Title	Standards Reference
D-3 –STRATEGIC PLAN	§§1000, 1200, 2000

The IA 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 CAE, with the assistance of IA staff and in close consultation with institutional stakeholders, will prepare a strategic plan for presentation to the Audit Committee. 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 IA 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 A).
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 IA Strategic Plan is presented in Appendix B.

Section-Title	Standards Reference
D-4 – INDEPENDENCE AND OBJECTIVITY	§§1100, 1110, 1120

The internal audit activity must be independent, and internal auditors must be objective in performing their work.

Independence

Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the chief audit executive has direct and unrestricted access to senior management and the board. This is achieved at the LCTCS through a dual-reporting relationship for the CAE (See C-2). Threats to independence are managed at the individual auditor, engagement, functional, and organizational levels.

The CAE will confirm to the board, at least annually, the organizational independence of the internal audit activity.

Objectivity

Objectivity is a mental attitude that internal auditors must maintain in performing audits. All department audit methods and procedures are designed with the objective of fostering objectivity. Internal auditors are to maintain an independent mental attitude free of partiality or bias when performing audits and are not to subordinate their judgment on audit matters to others.

Objectivity requires internal auditors to perform audits in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Internal auditors are not to be placed in situations in which they feel unable to make objective professional judgments. Appropriate supervisory involvement takes place to ensure audit objectives are met and that objectivity is maintained.

Conflicts of Interest

The Institute of Internal Auditors has stated:

Conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfill his or her duties impartially. (IPPF Statement 1120, Interpretation)

Staff assignments are made so that potential and actual conflicts of interest and bias are avoided. Internal auditors are expected to report conflict of interest situations to the IA Manager or the Director. The Manager and/or Director will consider the conflict situation and reassign internal

auditors as appropriate. Internal auditors will routinely be rotated among audit subjects and locations to enhance training, career development, to maintain impartiality, and reduce conflict of interest risk. Internal auditors do not ordinarily assume operating responsibilities. If, on occasion, internal auditors perform non-audit work, it is understood that they are not functioning as internal auditors. Internal auditors do not audit any activity for which they had authority or responsibility in the prior 12 months.

Section-Title	Standards Reference
D-5 – DUE PROFESSIONAL CARE	§§1200, 1210, 1220

The internal audit activity exercises due professional care, appropriate skills, and reasonable judgment in performing the work.

Exercise Due Professional Care

The internal audit activity is to render the care and skill expected of a prudent and competent internal auditor in the same or similar circumstances. Professional care is, therefore, appropriate to the complexities of the audit being performed. In exercising due professional care, internal auditors should be alert to the possibility of intentional wrongdoing, errors and omissions, inefficiency, waste, ineffectiveness, and conflicts of interest. They shall also be alert to those conditions and activities where irregularities are most likely to occur. Possible exception conditions are to be discussed with the auditor in charge, the audit manager and CAE. Auditors review systems to evaluate adequacy and effectiveness of controls and recommend improvements to promote compliance with acceptable procedures and practices.

The internal audit standard of due care calls for reasonable care and competence, not infallibility or extraordinary performance. Auditors are expected to conduct examinations and verifications to a reasonable extent, with an appropriate degree of testing transactions. Accordingly, the internal auditor cannot give absolute assurance of adequacy or effectiveness or that noncompliance or irregularities do not exist. Nevertheless, the possibility of material irregularities or noncompliance should be considered whenever the internal auditor undertakes an internal auditing assignment. Auditors include a determination of the appropriate type and degree of interviewing, system review, and testing to provide proper due care.

When an internal auditor suspects wrongdoing, the CAE is notified. The CAE will contact management, as appropriate, to help determine whether an audit or investigation in the suspected areas of wrongdoing is warranted. The auditor may or may not be personally involved in the investigation and resolution of the suspected wrongdoing.

Exercising Reasonable Audit Skill and Judgment

All audits begin with steps leading to a clear understanding of the scope and objectives for the audit. This may require the review of the project’s risk assessment, management’s request, and background, etc. The audit scope and major objectives are documented in advance and approved by the auditor in charge, the audit manager and CAE. The audit program is developed, and program implementation is supervised to ensure that the objectives of the audit will be met. Continuous auditor/supervisor communication is maintained to ensure that actual fieldwork practices support the audit scope and objectives.

Auditor practices involve consideration of the materiality, impact, cause, and effect of control concerns as they emerge as part of audit fieldwork. Audit testing and discussion with audit customers may be necessary to determine these factors. Materiality is considered in developing all potential audit findings. The appropriate auditor in charge, the audit manager and/or the CAE reviews and approves the final materiality classification.

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 IIA’s Code of Ethics, specifically 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 “home office experts” 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. During 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 always be exercised in the security of internal audit workpapers, programs, company records, and information.
- D. Never indiscreetly discuss confidential information such as system changes, reduced working hours, or possible personnel layoffs.

SECTION E – PLANNING AND PERFORMANCE

Section-Title	Standards Reference
E-1 – ANNUAL INTERNAL AUDIT RISK ASSESSMENT	§2010

Introduction

The selection of internal audit projects to be included in the annual audit plan is one of the most important challenges confronting internal audit management. To achieve the objectives of the internal audit activity and to allocate internal audit resources effectively and efficiently, the annual risk assessment must be given very careful consideration. Failure to select appropriate projects results in unexploited opportunities to enhance control and operational efficiencies.

IIA Standard 2010 – Planning states:

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.

Standard 2010.A1 requires that:

The internal audit activity’s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

Standard 2010.C1 states:

The chief audit executive should consider accepting proposed consulting engagements based on the engagement’s potential to improve management of risks, add value, and improve the organization’s operations. Accepted engagements must be included in the plan.

The assumption underlying the described audit priority plan is that an evaluation of prospective audit projects will be more effective if a formal process is followed for gathering the information necessary to make project selection decisions.

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.

The approach described herein provides a framework in which to apply common sense and professional judgment.

Auditable Units

Traditionally, the first step in the risk assessment process is to identify the auditable units (AU) within the organization. There are many ways to define an AU. For LCTCS, 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 as WISE and FastStart, federal grants such as 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. With LCTCS's size and 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 of the entire AUv. Instead, the Director 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 Director gathers information from the Board and senior management annually regarding their strategic goals for the coming year. The Director then conducts the necessary interviews, surveys, and analyses to determine the risks that exist to prevent the attainment of these goals and the AUs impacted by those risks. The Director formulates the annual Risk Assessment report, which is used to prepare the Annual Audit Plan. The Risk Assessment and proposed Annual Audit Plan are reported to the LCTCS Audit Committee at its first regular meeting of each fiscal year.

The methodology presented herein is relatively simple; however, in a great majority of cases, it should suffice to reach reasonable, prudent, and defensible audit project selection decisions. The following pages of this document (1) describe why risk exposure analysis and audit project prioritization are important, and (2) provide a framework to use in performing a risk exposure analysis and establishing an audit project priority schedule.

Risk Exposure Analysis

Risk is defined by the IIA 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.

For each of the AUs identified above, IA develops a bank of possible risk exposures and controls. It is important to remember that someone within each AU, herein called the risk owner, must be responsible for the implementation of controls that either prevent a risk event, detect an event occurrence, or mitigate an event result. Absent these, the risk owner of each identified risk is

responsible for the remaining *residual risk*. This residual risk should be as low as possible and within LCTCS senior management’s and the Board’s risk tolerances.

In conjunction with the identified risk owner, IA ranks the identified risks, according to certain identified criteria, from 1 to 5, with the higher number indicative of greater risk.

Each risk’s score is then weighted according to the table below:

Criteria	Evaluated By		Weight
	Risk Owner	Internal Audit	
Probability of occurrence	X	X	10%
Impact of occurrence	X	X	15%
Perceived opportunity for fraud		X	10%
Degree of regulatory requirements	X		5%
Complexity of activity	X		5%
Change in personnel/procedures	X		5%
Prior audit findings		X	10%
Public disclosure implications	X		10%
Degree of reliance on IT	X		10%
Time since last audit		X	5%
Dollar volume		X	10%
Raw number of transactions		X	5%
			100%

After all identified risks are ranked and weighted, they can then be sorted, and the appropriate projects selected for internal audit’s annual plan (See E-2, *Annual Audit Plan*).

* * * * *

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

Section-Title	Standards Reference
E-2 – ANNUAL AUDIT PLAN	§2010

The Audit Plan (Plan) is the roadmap by which IA 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 prepares a proposed Plan for presentation to the LCTCS Audit Committee.

The Plan provides a discussion of each significant area of proposed internal audit focus, including the goals 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 IA’s conclusion of significant residual risk. Throughout the year, the Director develops projects, to address 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 IA enters into *Memorandums of Understanding* with other LCTCS departments.

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

Section-Title	Standards Reference
E-3 – COMMUNICATION OF RESULTS	§2060, 2400

Fieldwork Communications

Throughout the fieldwork phase of each audit, potential findings by the audit team will be discussed with appropriate management to ensure agreement as to the facts and consideration of corrective actions. Auditors will meet with management to:

- To discuss what audit steps are being or have been performed and why.
- To obtain clarification of transactions and provided documentation.
- To review findings prior to the close of fieldwork to ensure that a mitigating control or process has not been overlooked.

At the conclusion of field work, a preliminary exit meeting will be held to discuss the results of the audit, including all potential findings and exit comments. All these matters should have been discussed with management before the meeting, which is intended to summarize audit conclusions and findings and to discuss the next steps to be taken by management. Use of the *Exit Meeting Form* and *Sign-In sheet* is required to document the meeting.

Project Communications

Final Exit Meeting

After the technical and qualitative reviews of the project workpapers, a final exit meeting should be scheduled with the appropriate level of management of the audit area. It is at this meeting that all reportable findings must be presented to the auditee, formatted according to the *Pro Forma Findings* template in the TeamMate+ standard project template. All delivered findings documents should be clearly marked DRAFT at the top of each page. When possible, management’s formal response(s) to the finding(s) and corrective action plan(s) should be obtained before scheduling this meeting. In addition:

- If possible, the meeting should be held in person at the client’s office.
- If necessary, the meeting may be held by conference or video call.

Minutes of the exit meeting should document attendance, date and time of meeting, agreed upon changes to the delivered findings, as well as any management response. Management will typically be given 10 business days to provide a formal response and action plan for each finding. Each action plan indicated by management should also contain a target date for the implementation of the planned corrective action and identification of the responsible employee.

The Audit Report

The audit report is the audit project's final product. Audit reports should contain the background, objectives, scope, methodology, criteria, observations, conclusions, recommendations, and action plans communicated by management. Additionally, it conveys the auditor's opinion about the identified objective(s) of the project.

All reported findings should be accurate, objective, clear, concise, constructive, complete, and timely. The audit report should be clear, factual, concise, and complete with an emphasis on corrective action and improvement rather than criticism. The audit report should provide general guidance relative to an action plan.

As appropriate, audit reports should identify the positive actions and attributes of the auditee with respect to the project's objectives.

Report Format

Reports issued by IA may be in one of two formats:

- Letter Report
- Detailed Report

The choice of a letter report or a detailed report is the Director's decision based on the project and client needs.

Letter Report

The letter report is one document, appropriately addressed, with section headings within the letter as the means of separating text. The report should contain all the requirements common to all reports as identified above.

Detailed Report

The detailed audit report should use the following layout:

1. Cover Page
2. Table of Contents
3. Executive Summary (summarization of major audit findings – less than 2 pages)
4. Background Statement (description of area audited including entity name, location, and description of operations)

5. Noteworthy Accomplishments of Entity/Area Audited (1-3 accomplishments that the area of audit has achieved)
6. Audit Scope and Objectives (should match the audit scope and objectives in the announcement letter and audit program)
7. Detailed Findings and Corrective Action Plans (findings should include condition, criteria, cause, effect, and recommendation – corrective action should include management’s response to the finding and the target date for implementation of response, if applicable)

Final Review

The Director will complete a review of the final audit report and work papers. Upon completion of this review the final report will be issued.

Report Issuance

The final audit report is addressed and submitted to the Board Chair and the Board’s Audit Committee Chair. Additional copies are distributed to the following:

- LCTCS President
- College Chancellor/Director and college management and staff responsible for corrective action plans
- LCTCS Senior Vice President of Finance and Administration
- Other individuals as appropriate

A copy of the final report is to be kept in the work papers.

SECTION F – RESOURCES, STAFFING, AND PROFESSIONAL DEVELOPMENT

Section-Title	Standards Reference
F-1 – STAFF ADVANCEMENT PATHWAYS	§§1210, 1230, 2030

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 years or less of experience, CISA/CFE Specialist - Pass appropriate certification exam within two years of hire.

Staff Auditor/Staff Specialist

Team lead. More complex audit tasks, can be a subject matter resource, 3-5 years of experience. CIA/CPA required.

Senior Staff

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

Senior/Senior Specialist

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

Manager

Serves as Chief Audit Executive in director's absence, 7-9 years of experience

Senior Manager

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

Director

A detailed view of the career pathway is presented below:

Staff Advancement Matrix

Criteria	Position							
	Staff Auditor	Staff Specialist ¹	Senior Staff Auditor	Senior Auditor	Senior Specialist ¹	Manager	Senior 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				
2nd Certification (CFE/CISA/Other ²) 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 ⁶	R ⁶	R ⁶	R	R	R	R	R
CISA/CFE/Other ²		R ⁴			R	P	P	R ³
Supervised By								
Senior Auditor	X	X	X					
Manager/Senior 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

Staff Advancement Matrix (Continued)

Criteria	Position							
	Staff Auditor	Staff Specialist ¹	Senior Staff Auditor	Senior Auditor	Senior Specialist ¹	Manager	Senior 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 the System, including making arrangements for audits, maintaining files of all workpapers, maintaining all appropriate documentation, and assisting in preparing audit reports.	X	X	X	X	X	X	X	X
Performs operational (performance) audits of the colleges and various functions to determine their operational effectiveness and efficiency.	X	X	X	X	X	X	X	X
Leads compliance and financial audits for the System, including making arrangements for audits, maintaining files of all workpapers, 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 the AIC, manager, or director.			X	X	X			
Provides specialization support to IA 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 IA staff.			X	X	X	X	X	X
Executes internal control assessments and risk analysis surveys throughout the System and colleges.			X	X	X	X	X	X

Staff Advancement Matrix (Continued)

Criteria	Position							
	Staff Auditor	Staff Specialist ¹	Senior Staff Auditor	Senior Auditor	Senior Specialist ¹	Manager	Senior Manager	Director
Duties - Professional (continued)								
Serves as 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 the 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 entity audit program, including assigning work to subordinate auditors; reviewing, approving, and directing any revisions 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 standards, policies, and procedures for the System.						X	X	X
Assists the audit director with the development of the System audit plan and program.						X	X	X
Interprets laws, rules, and regulations that will impact the audit program and ensures college compliance with all mandated changes.						X	X	X
Serves as assistant to the Director of Internal Audit and serves as CAE in the Director's absence.								X
Develops and enforces standards, policies, and procedures for the System.								X

Staff Advancement Matrix (Concluded)

Criteria	Position							
	Staff Auditor	Staff Specialist	Senior Staff Auditor	Senior Auditor	Senior (Specialist) ¹	Manager	Senior Manager	Director
Duties - Professional (continued)								
Advises higher-level System 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 Certification 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 IA Director prior to hire.

³ A Master's degree and/or a 2nd certification is required for the IA Director.

⁴ the CFE exam. The required years of experience to actually receive the CISA or CFE certification must be obtained prior to promotion to Senior Specialist.

⁵ A Master's degree is preferred and may substitute for 1 year of required work experience.

⁶ Certification as a CIA or CPA must be earned within two years of hire.

P - Preferred skill or attribute
 R - Required skill or attribute
 X - Attribute or skill is applicable to this classification

Section-Title	Standards Reference
F-2 – STAFF AUDITOR	§§1210, 2030

Position Title: Staff Auditor

Position Classification: Unclassified

Supervision Received: Internal Audit (IA) Senior or above

Supervision Exercised: None

Position Summary: The Staff Auditor:

- Performs professional internal auditing work.
- Conducts compliance and financial audits for the System, 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 timeframes.
- 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:*

- CIA or CPA certification is required within two years of hire
- Knowledge of, or aptitude to learn, use of data analytics software applications.
- Proficient with software applications, including Microsoft Office 365.

Pay Range	Minimum	Midpoint	Maximum
Staff Auditor	\$45,000	} \$57,500	\$70,000
Advanced Degree	\$47,500		
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.

Section-Title	Standards Reference
F-3 – STAFF SPECIALIST	§§1210, 2030

Position Title: Staff Specialist

Position Classification: Unclassified

Supervision Received: Internal Audit (IA) Senior or above

Supervision Exercised: None

Position Summary: The Staff Specialist:

- Performs professional internal auditing work.
 - Conducts compliance and financial audits for the System, 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 timeframes.
 - Maintains positive relationship with audit client and acts in a professional manner
 - Other duties as assigned.
- 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 or identify 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 the Certified Information Systems Auditor (CISA) exam.
 - Fraud Specialist: Must have successfully sat for the Certified Fraud Examiners (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.
- Desired Knowledge, Skills and/ or Experience:*
- Knowledge of, or aptitude to learn, use of data analytics software applications.
 - Proficient with software applications, including Microsoft Office 365.

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

Section-Title	Standards Reference
F-4 – SENIOR STAFF AUDITOR	§§1210, 2030

Position Title: Senior Staff Auditor

Position Classification: Unclassified

Supervision Received: Internal Audit (IA) Senior or above

Supervision Exercised: Staff Auditors during audit fieldwork.

Position Summary: The Senior Staff Auditor:

- Performs complex-level professional internal auditing work.
- Conducts compliance and financial audits for the System, 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.
- Completes assigned audit work product, including preparation of work papers and reports within standard timeframes.
- 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 years of auditing experience, preferably in higher education.
- Certification as a Certified Internal Auditor (CIA)/Certified Public Accountant (CPA) is required 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.

Desired Knowledge, Skills and/or Experience:

- Knowledge of, or aptitude to learn, use of data analytics software applications.
- Proficient with software applications, including Microsoft Office 365.

Pay Range	Minimum	Midpoint	Maximum
Senior Staff Auditor	\$57,500	\$71,000	\$84,500
Advanced Degree	\$60,000		
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.

Section-Title	Standards Reference
F-5 – SENIOR AUDITOR	§§1210, 2030

Position Title: Senior Auditor

Position Classification: Unclassified

Supervision Received: Internal Audit (IA) Manager/IA 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 the System, 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 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.
- 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 timeframes.

*Differs from Senior
Staff Auditor:*

- Maintains positive relationship with audit client and acts in a professional manner
- Other duties as assigned.
- Departmental supervision of 1-2 staff auditors

*Minimum
Qualifications:*

- 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.
- Bachelor's degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology, or other business-related discipline.
- Minimum of 5-7 years of auditing experience, preferably in higher education.
- Certification as a Certified Internal Auditor (CIA)/Certified Public Accountant (CPA) is required.
- Second certification (Certified Information Systems Auditor (CISA)/Certified Fraud Examiner (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.

*Required Knowledge,
Skills and/ or
Experience:*

- Knowledge of, or aptitude to learn, use of data analytics software applications.
- Proficient with software applications, including Microsoft Office 365.

Pay Range	Minimum	Midpoint	Maximum
Senior Auditor	\$64,000	\$82,500	\$101,000
Advanced Degree	\$66,500		
<p><i>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.</i></p>			

Section-Title	Standards Reference
F-6 – SENIOR SPECIALIST	§§1210, 2030

Position Title: Senior Specialist

Position Classification: Unclassified

Supervision Received: Internal Audit (IA) Manager/IA 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 the System, 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.
- 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 timeframes.
 - Maintains positive relationship with audit client and acts in a professional manner
 - Other duties as assigned.
- 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.
- Differs from Staff Specialist Information Technology Auditor*
- 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.
- 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.
- 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.

Minimum Qualifications:

- May conduct more sensitive audits or handle matters of great confidentiality related to the audit program.
- Bachelor's degree in Accounting, Finance, Public Administration, Higher Education, Management, Information Technology, or other business-related discipline.
- Minimum 3-5 years of auditing experience, preferably in higher education.
- Certification as a Certified Internal Auditor (CIA)/Certified Public Accountant (CPA) is required.
- IT Auditor Specialist: Certified Information System Auditor (CISA) certification is required.
- Fraud Specialist: Certified Fraud Examiner (CFE) certification is required.

Minimum Qualifications (continued):

- Strong communication skills and the ability to deal effectively with people to attain desired objectives.
- Analytical aptitude required to analyze data gathered in audits.

Required Knowledge, Skills and/or Experience:

- Knowledge of, or aptitude to learn, use of data analytics software applications.
- Proficient with software applications, including Microsoft Office 365.

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.

Section-Title	Standards Reference
F-7 – AUDIT MANAGER	§§1210, 2030

Position Title: Audit Manager

Position Classification: Unclassified

Supervision Received: Director of Internal Audit (IA)

Supervision Exercised: Direct supervision of IA Staff and Senior Auditors and Audit Specialists

Position Summary: The Audit Manager:

- Performs complex-level professional internal auditing work.
- Leads compliance and financial audits for the System, 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 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.
- 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.

*Differs from Senior
Internal Auditor II:*

- Supports team in meeting departmental and organizational objectives.
- Completes assigned audit work product, including preparation of work papers and reports within standard timeframes.
- Maintains positive relationship with audit client and acts in a professional manner
- Other duties as assigned.
- Responsible for departmental supervision of staff and senior internal auditors and internal audit specialists.
- Supervises all aspects of a System 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 System.
- Assists the IA 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.

*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 one year of required work experience.
- Minimum 5-7 years of auditing experience, preferably in higher education.
- Certification as a Certified Internal Auditor (CIA)/Certified Public Accountant (CPA) is required.
- Second certification [Certified Information Systems Auditor (CISA); Certified Fraud Examiner (CFE); other as determined by the Internal Audit Director] is preferred and may substitute for one year of 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, or aptitude to learn, use of data analytics software applications.
- Proficient with software applications, including Microsoft Office 365.

*Required Knowledge,
 Skills and/ or
 Experience:*

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

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.

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 (IA)

Supervision Exercised: Direct supervision of IA Staff (all levels)

Position Summary: The Senior Audit Manager:

- Performs complex-level professional internal auditing work.
- Leads compliance and financial audits for the System, 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 a System 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 the System.
- Assists the IA Director in the development of the System audit plan and program.
- Interprets laws, rules, and regulations which will impact audit program at agency and ensures agency compliance with all mandated changes.
- 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 timeframes.
- Maintains positive relationship with audit client and acts in a professional manner
- Other duties as assigned.

*Differs from Internal
Audit Manager:*

- Serves as assistant to the IA Director and serves as Chief Audit Executive (CAE) in the Director's absence.
- Supervises all aspects of a college audit program, including assigns work to subordinate auditors; reviews, approves, and directs revision of individual audit plans and reports; and provides guidance and counsel for audit plan development and audits conducted.

*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 one year of required work experience.
- Minimum 7-9 years of auditing experience, preferably in higher education.
- Certification as a Certified Internal Auditor (CIA)/Certified Public Accountant (CPA) is required.
- Second certification [Certified Information Systems Auditor (CISA); Certified Fraud Examiner (CFE); other as determined by the Internal Audit Director] is preferred and may substitute for one year of 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, or aptitude to learn, use of data analytics software applications.
- Proficient with software applications, including Microsoft Office 365.

*Required Knowledge,
Skills and/ or
Experience:*

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.

Section-Title	Standards Reference
F-9 – DIRECTOR OF INTERNAL AUDIT	§§1210, 2030

- Position Title:* Director of Internal Audit (IA)
- Position Classification:* Unclassified
- Supervision Received:* Functionally: LCTCS Board of Supervisors Audit Committee
 Administratively: LCTCS President
- Supervision Exercised:*
- Direct supervision of IA Audit Managers and Senior Managers
 - Direct/Indirect supervision of IA Staff, Senior Staff, and Audit Specialists
- Position Summary:* The Director of Internal Audit:
- Serves as the Chief Audit Executive (CAE) of the LCTCS’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 comply with the IIA’s *International Standards for the Professional Practice of Internal Auditing (Standards)*.
 - 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.
- Appraises the impact that changes in operations will have on controls and the assessment of risk and determines 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.
 - Maintains positive relationship with audit client and acts in a professional manner
 - 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 complies with all mandated changes.
- Meets with IA 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.

- Maintains working relations with all levels of management to include Chancellors/Directors of member institutions through personal contact and 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 IA Department at all LCTCS Board Meetings.
- Represents the IA Department at all Audit Committee meetings.
- Serves as liaison with the Louisiana Legislative Auditor.
- Discharges all basic management responsibilities that are common to all LCTCS department heads.
- Other duties as requested by the Board or President to the extent allowable without impairing auditor independence and/or objectivity.
- 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.
- 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.

*Minimum
Qualifications:*

- Managerial skills and experience incumbent upon executive level staff, including at least the following:
 - Budget preparation and management
 - Project management and scheduling
 - Human Resources 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.

Section-Title	Standards Reference
F-10 – AUDIT INTERN	§§1210, 2030

Position Title: Audit Intern

Position Classification: Unclassified

Supervision Received: Internal Audit (IA) Senior or above

Supervision Exercised: None

Academic Credit: LCTCS IA will coordinate with the intern's college to determine whether academic is to be awarded for the internship.

Duration: Maximum hours:

- 20 hours per week when the student is registered for class
- 29 hours per week when the 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 organizational and professional ethical standards and ensures all internal audit activities comply 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 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 discipline, as deemed appropriate by the Director of Internal Audit. 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 software applications, including Microsoft Office 365.

The position may be paid or unpaid, depending on available funding. When paid, the rate will be determined in consultation with 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.

Section-Title	Standards Reference
F-11 – PROFESSIONAL CERTIFICATIONS	§1210

LCTCS IA requires certain staff positions to be professionally certified and encourages all staff to be professionally certified, as follows:

Staff Position	Certified Upon Hire	Required Certification	Substitutional Certifications	Encouraged Certifications
Chief Audit Executive	Yes	CIA and (2nd Cert. or Master's Degree)	CPA and (2nd Cert. or Master's Degree)	CFE, CISA, CCSA
Senior Audit Manager	Yes	CIA	CPA	CFE, CISA, CCSA
Audit Manager	Yes	CIA	CPA	CFE, CISA, CCSA
Senior Specialist	Yes	CIA and CISA/CFE	CPA for CIA	
Senior Auditor	Yes	CIA	CPA	CFE, CISA, CCSA
Senior Staff	Yes	CIA	CPA	
Staff Specialist	Yes	CISA / CFE		CIA
Staff Auditor	No		CPA	CIA

Notes

- The CAE, Audit Managers, Senior Auditors and Senior Staff Auditors must be certified upon hire as either a CIA or CPA. Additional certifications are encouraged. The CAE is required to have either a 2nd certification or a master's degree.
- Staff Auditors are required to obtain CIA or CPA certification within two years of hire.
- Staff Auditors who obtain their certification within two years of initial hire will receive a \$2,500 per year increase in salary.
- Certification as a CIA or CPA is required for promotion to any position beyond staff auditor.

SECTION G – QUALITY ASSURANCE AND IMPROVEMENT

Section-Title	Standards Reference
G-1 – INTRODUCTION TO QUALITY	§§1300, 1310, 1311, 1312, 1320

IA seeks to conduct its affairs in conformance with the Standards. 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)

IA’s Quality Assurance and Improvement Program (QAIP) is designed to provide reasonable assurance to the various stakeholders of the internal audit activity that IA:

1. Performs its work in accordance with its Charter, which is consistent with the IIA *Standards*, 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, IA’s quality improvement efforts will cover all aspects of the internal audit activity as follows:

- Governance of the internal audit activity
- Professional practices
- Appropriate communications

Quality assurance will be provided by:

- Both periodic and ongoing internal assessments
- An external assessment will be conducted at least once every five years, the results of which are communicated to the Board through the Audit Committee.

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.

The Director is ultimately responsible for the QAIP.

Administrative Matters

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

Section-Title	Standards Reference
G-2 – INTERNAL ASSESSMENTS	§1311

Ongoing Monitoring

Quality must be built *into* the procedures of the IA activity not *onto* it. The most fundamental element of a QAIP is management’s ongoing oversight of IA’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 IA staff.
- The use of standardized tools and the application of appropriate audit policies and procedures.
- Feedback from customer surveys on individual engagements.
- Analyses of performance metrics established to improve the IA activity’s effectiveness and efficiency.
- Final reports and recommendations reviewed and approved by the Director.

Periodic Assessments

Periodic assessments are designed to assess conformance with IA’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 surveys.
- Annual risk assessments for purposes of audit planning.
- Semi-annual work paper reviews for performance in accordance with IA policies and with the *Standards*.
- Review of IA 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.

Section-Title	Standards Reference
G-3 – EXTERNAL ASSESSMENTS	§1312

General Considerations

External assessments appraise and express an opinion about IA’s conformance with the *Standards*, Definition of Internal Auditing, and Code of Ethics and include recommendations for improvement, as appropriate.

Timing

An external assessment must be conducted every five years.

Scope of External Assessment

The external assessment consists of a broad scope of coverage that includes the following elements of IA activity:

- Conformance with the *Standards*, Definition of Internal Auditing, the Code of Ethics, and IA’s Charter, plans, policies, procedures, practices, and any applicable legislative and regulatory requirements.
- Expectations of IA as expressed by the Board of Supervisors, executive management, and operational managers.
- Integration of the IA 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 IA.
- The mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement.
- A determination whether IA adds value and improves LCTCS’s operations.

Approach

The *Standards* provide two approaches for compliance with the requirement for an external assessment:

- Full external assessment
- An internal self-assessment with independent external validation

LCTCS ordinarily chooses 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.

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.

Section-Title	Standards Reference
G-4 – REPORTING ON THE QUALITY ASSURANCE IMPROVEMENT PROGRAM	§1320

Internal Assessments

Results of internal assessments will be reported to the Audit Committee and to senior management at least annually.

External Assessments

Results of external assessments will be provided to the Audit Committee and to senior management. The external assessment report will be accompanied by a written action plan in response to significant comments and recommendations contained in the report.

Follow-up

The Director will implement appropriate follow-up actions to ensure that recommendations made in the report and action plans developed are implemented in a reasonable timeframe.

Section-Title	Standards Reference
G-5 – USE OF “CONFORMS WITH THE INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING	§1320

Each report issued by LCTCS IA will contain the following statement, indicating that the report is based on work performed in accordance with the *Standards* promulgated by the IIA:

“This examination was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing.*”

Use of this statement is appropriate only if supported by the results of the QAIP.

If the results of the QAIP do not support the use of this statement in the reports of the IA activity, such non-conformance will be reported, at least annually to the Audit Committee and senior management, along the implications of non- conformance.

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APPENDICES

APPENDIX A SWOT ANALYSIS

APPENDIX B STRATEGIC GOALS

APPENDIX C CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF SUPERVISORS

APPENDIX A – 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 of the Internal Audit activity 2. Strong support from LCTCS Board and Audit Committee 3. Respect and credibility of CAE and audit staff with senior management and college 4. Competence in areas of internal controls, ethics and best practices 5. Continuity of Internal Audit management (length of service) 6. Good audit processes (WP review and workflow) 7. Diverse backgrounds and skills of audit staff 8. Individual staff training/certification plans 9. Positive attitude and work ethic of staff 10. Open door policy 11. Generally aligned with IIA Standards 	<ol style="list-style-type: none"> 1. Breadth of the LCTCS audit universe 2. Shortage of staff to address full range of audit risks 3. Limited staff career advancement opportunities 4. Long audit cycle, timeliness of report issuance 5. Absence of certain skills (e.g. Banner, Cognos, IT Audit) 6. Insufficient use of data analytics in audit projects 7. Unclear or insufficiently defined project goals 8. Follow-up projects on identified findings 9. Lack of formal knowledge sharing program, such as website or newsletter 10. Imminent retirement of long-term CAE
	<i>OPPORTUNITIES – TO BE PURSUED</i>	<i>THREATS – TO BE ATTACKED</i>
EXTERNAL	<ol style="list-style-type: none"> 1. LCTCS Strategic Plan - 2020-2025 2. Increasing business investments in Louisiana 3. Audit Committee receptiveness to increasingly substantive content of audit 4. Legislative internal audit mandate 5. COVID related changes in System and college operations 	<ol style="list-style-type: none"> 1. Auditee perception of Internal Audit (we are still sometimes eyed suspiciously and/or adversarially) 2. Identification of wide range of compliance risks 3. COVID related changes in System and college operations

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 to prepare 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** – The Audit Committee takes its responsibility and role within the organization very seriously. The members look at IA as adding value to the organization, and they are understanding and supportive of the limitations IA must overcome.
3. **Respect and credibility of the CAE and audit staff with senior management and college leadership** - IA is considered a respected advisor. IA’s recommendations are generally accepted and used to improve the System operations.
4. **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.
5. **Continuity of IA management (length of service)** - IA management has established relationships with many executives and staff throughout the 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 can provide a reliable product that is substantiated with adequate supporting documentation.
7. **Diverse backgrounds and skills of audit staff** – Current audit staff were recruited from various industries outside of higher education and brought with them varied skills, all of which can be applied to higher education internal audit activities.
8. **Individual staff training/certification plans** – Each IA staff member is encouraged and supported in the pursuit of professional certifications and the continuing education necessary to maintain said certifications.
9. **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.
10. **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.
11. **Generally aligned with IIA Standards** – The recent completion of the 5-year QAR and the ongoing activities of the IA Quality Assessment and Improvement Plan confirms general compliance and alignment with IIA *Standards*.

Weaknesses

1. **Breadth of the LCTCS audit universe** - The LCTCS audit universe is broad and becoming more so over time. IA must take a risk-based approach to project selection to give the system the most coverage with IA's limited resources.
2. **Shortage of staff to address full range of audit risk** – Without sufficient staff, IA is unable to adequately address the full scope of the LCTCS risk universe.
3. **Limited staff career advancement opportunities** – IA is not typically a talent source of our colleges or other offices in the System Office
4. **Long audit cycle, timeliness of report issuance** - 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 IA can undertake without either acquiring additional skills or contracting for outside assistance with the necessary skills.
6. **Unclear or insufficiently defined project goals** – Project goals must be clearly defined in advance to prevent scope creep and to assure the project is adding value to management's efforts.
7. **Insufficient use of data analytics software applications in audit projects** – Knowledge of data analysis techniques is rudimentary among IA staff. Training is necessary to increase utilization.
8. **Follow-up projects on identified findings** – Findings must be actionable, and management's commitment must be to take timely action in response. IA's follow-up determines whether management has taken the commitment to respond seriously.
9. **Lack of formal knowledge sharing program, such as website or newsletter** – Problems identified at one college or department are often shared by other colleges or departments. IA has no mechanism for sharing lessons learned or best practices systemwide.
10. **Imminent retirement of long-term CAE** – After 10 year in the position, the CAE is retiring. Changes in departmental management often include a significant loss of institutional knowledge.

Opportunities

1. **LCTCS Strategic Plan – 2020-2025** – The adoption of a formal strategic plan for LCTCS allows the audit team to better align its projects with those 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. **Increasing 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 crucial funding sources, credentials production, and reporting efforts.
3. **Audit Committee receptiveness to increasingly substantive content of audit projects** – Such projects provide stakeholders with more than just “gotcha” findings and recommendations. Additional analysis, such as root cause analysis, can be used by management to address weaknesses in controls and processes.
4. **Legislative internal audit mandate** – The Louisiana legislature requires state entities with spending authority of \$30 million or more to have an internal audit activity that complies with the IIA *Standards*. This mandate provides LCTCS IA with the impetus needed to achieve certain goals and standards.
5. **COVID related changes in System and college operations** – Changes in operations such as remote working, remote learning, employee turnover, etc. present real opportunities to make changes effecting the efficiency of processes.

Threats

1. **Auditee’s negative perception of Internal Audit** – The need for auditor independence and objectivity make some view LCTCS IA as an adversary. 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.
2. **Identification of wide range of compliance risks throughout LCTCS** – Identification of compliance requirements throughout the system is not systematically monitored and presents potential risk of non-compliance by one or more colleges.
3. **COVID related changes in System and college operations** – Changes in operations such as remote working, remote learning, employee turnover, etc. present real threats to the ability of our colleges to reach their goals.

APPENDIX B – STRATEGIC GOALS

For IA to remain relevant, it should adapt to changing expectations and maintain alignment with the organization’s objectives. The IA 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, IA is committed to aligning its work with the efforts of its stakeholders in meeting their goals and commitments. Specifically, IA seeks to make its work of value in the achievement of the goals of the *LCTCS 2020-2025 Strategic Plan*. To that end, the following goals have been established for the ongoing work of IA:

- | | |
|-------------------|--|
| Strategic Goal #1 | Become a trusted partner to our senior stakeholders in the achievement of their identified goals. |
| Strategic Goal #2 | Provide increasingly substantive audit report content with: <ul style="list-style-type: none">• Data analytics• Root cause analysis• Actionable findings |

On the following pages, critical success factors for each of the above goals are identified, as will be 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 (SWOT) that are identified and discussed in the SWOT Analysis (see Appendix G).

Strategic Goal #1

Become a trusted partner to our senior stakeholders in the achieving of their identified goals

Critical Success Factor

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

SWOT Mapping:

S – 1, 2, 3, 4, 6, 7, 10

W – 3, 5, 6, 7, 9

O – 1, 2, 3

T – 1, 2, 3

Key Tasks

1. Raise the awareness of Internal Audit performance and consulting services among stakeholders
 - a. IA 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. Keep track of informal interactions and requests with college personnel and track response rates.
5. Identify champions of the IA mission.

Metrics

Share IA information with:

- CFOs once per quarter
- Chancellors twice per year

Timeframe

24-36 months

Strategic Goal #2

Provide increasingly substantive audit report content with:

- Data analytics
- Root cause analysis
- Actionable findings

Critical Success Factor

Documented, substantive process or policy changes as a result of IA projects.

SWOT Mapping:

S – 4, 6, 7

W – 2, 6, 7

O – 3, 5

T – 2, 3

Key Tasks

1. Review each proposed internal audit project and identify project objectives that can be achieved or enhanced with the use of data analytics software applications
2. Use the **5-Whys** process to identify and document root causes of control weaknesses or process failures.
3. Assure that every finding or observation reported has a reviewable, action-oriented recommendation for change or remediation

Metrics

1. 100% of internal audit projects contain documentation of the consideration of data analytics.
2. 100% of internal audit findings and recommendations are reviewable and action oriented.

Timeframe

Initial reviews in 24-36 months

Report of Status of Goals

Strategic Goal #1 Become a trusted partner to our senior stakeholders in the achievement of their identified goals.

Internal Audit has conducted projects over the last two years at the specific request of college chancellors and/or System senior management.

- LDCC – Baseline review of Financial Aid at request of college chancellor
- SLCC – Review of CDL Training Program at the request of college management
- BRCC – Review of college foundation at request of college chancellor and System management

Strategic Goal #2 Provide increasingly substantive audit report content with:

- Data analytics
- Root cause analysis
- Actionable findings

Internal Audit completed two projects that resulted in significant changes in procedures at both the System level and college level:

- A review of the shared Vendor Master File using analytical review which resulted in changes in how vendor records are reviewed, deactivated and reactivated. This project also resulted in the identification of an employee in conflict with the La Code of Ethics for Public Employees.
- A review of asset management procedures after the implementation of remote work/learning at LCTCS colleges as a result of COVID resulted in changes to college handling of

We believe that IA will be called upon to perform more of these types of consulting projects and have chosen to keep this as one of our strategic goals.

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 STRATEGIC PLAN IS ON FILE IN THE OFFICE OF THE DIRECTOR OF INTERNAL AUDIT.

APPENDIX C – CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF SUPERVISORS

The Board of Supervisors of the Louisiana Community and Technical College System (LCTCS) hereby constitutes and establishes an Audit Committee with authority, responsibility, and specific duties as described below.

Composition

The Audit Committee is a standing committee and as such shall be comprised of not less than five voting members appointed by the Board Chair to serve in accordance with the Bylaws of the Board of Supervisors of the LCTCS. These members are to be independent of management and operating executives. A quorum of the committee shall be in accordance with the Board Bylaws.

Authority

The Audit Committee is granted the authority to investigate any activity of the LCTCS, and all employees are directed to cooperate as requested by members of the Committee. The Committee is empowered to retain outside counsel or persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

Responsibility

The Audit Committee is to serve as a focal point for the communication between the Board of Supervisors, the Finance Committee, the Chief Audit Executive, the Louisiana Legislative Auditors, and the President as their duties relate to financial accounting, reporting, organizational governance, risk management, and controls. The Audit Committee is to assist the Board of Supervisors and the Finance Committee in fulfilling its fiduciary responsibilities related to accounting policies and reporting practices of LCTCS and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the quality of Internal Auditing, the integrity of management, and the adequacy of financial and operating disclosures. The opportunity for the Chief Audit Executive to meet with the entire Board of Supervisors as needed, however, is not to be restricted.

Meetings

The Audit Committee is to meet at least three times each year, and as many times as that Committee deems necessary. As necessary or desirable, the chairman may request that members of management, the Chief Audit Executive, and the representatives of the Legislative Auditors be present at meetings of the committee. The Chief Audit Executive shall be requested to attend any meeting of the Committee related to its oversight responsibilities for auditing, financial reporting, organizational governance, risk management or internal control structure issues.

Minutes

The minutes of each meeting are to be prepared as required by the Board Bylaws.

Specific Duties

The Audit Committee is to be informed and vigilant in fulfilling the following duties:

1. Review the Chief Audit Executive's evaluation of the performance of any outside audit work performed, including the degree of audit coordination, and the overall audit coverage.
2. Review with management and the Legislative Auditors as appropriate the following:

The LCTCS annual report.

Significant transactions not a normal part of the LCTCS's operations.

The accounting and reporting policies and practices applied in preparing its financial statements, along with significant changes, if any, during the year.

The process that management uses in formulating sensitive accounting estimates.

The Legislative Auditor's view on significant matters that were the subject of consultation with other accountants.

Significant adjustments proposed by the Legislative Auditors.

Any deficiencies in the organization's information systems' procedures and controls noted by Legislative Auditors.

Any disagreements with management which, if not satisfactorily resolved would have caused the Legislative Auditors to issue a modified auditor's report on the organization's financial statements.

Any serious difficulties the Legislative Auditors encountered with management in performing the audit.

Any deficiencies noted by Legislative Auditors in the internal control structure.

3. Review with the Chief Audit Executive, the scope, staffing, budget, and audit schedule including plans for reviews of the organization's electronic data processing procedures and controls. The Committee shall review and approve any significant subsequent changes in the audit plan.
4. Review with management, the Chief Audit Executive, and the Legislative Auditors, the general policies and procedures to reasonably assure the adequacy of internal accounting and financial reporting controls, including such controls related to officers' expenses, prerequisites, and any use of corporate assets. Review any recommendations of Internal Audit and the Legislative Auditors with respect to accounting policies, internal controls, or other matters. Review with the Chief Audit Executive, the significant findings, current status, and management's corrective action as a result of internal audits.

5. Confirm with management, the Chief Audit Executive, and the Legislative Auditors, compliance with significant organizational policies including the organization's process of assessing the risk of fraudulent financial reporting and the program established to monitor compliance with the conflict of interest statement and code of conduct.
6. Review the controls that management has established to protect the integrity of the reporting process.
7. Instigate any special investigations of conflict of interest and compliance with federal, state, and local laws and regulations as may be warranted.
8. Review audits conducted by other than Internal Audit or the Legislative Auditors.
9. Review with the LCTCS General Counsel at least on an annual basis, the status of legal matters that may have a significant impact on the financial statements.
10. Meet privately with the Chief Audit Executive and the Legislative Auditors as deemed appropriate and at least annually.
11. Review the President's annual performance evaluations of the Chief Audit Executive.
12. Review the Auditee surveys of internal auditing.
13. Report to the Board on the results of performing the foregoing of duties and submit to the Board any recommendations the Audit Committee may have from time to time.

Chair of the Board of Supervisors

Date

Chair of the Audit Committee

Date

**A SIGNED AND DATED COPY OF THE AUDIT COMMITTEE CHARTER IS ON FILE
IN THE OFFICE OF BOARD COORDINATOR.**