

University Assurance Service

Internal Audit Assignment Protocol



1. Introduction

This document provides an overview of the audit process, and the roles and responsibilities of key individuals in the process.

2. Assignment Planning

The Head of University Assurance (HoUA) and/or the Lead Auditor will hold a planning meeting or otherwise liaise with the Audit Owner and UEC Sponsor to agree the scope and nature of the audit assignment. This will consider:

- a) Background to the area under review
- b) Audit approach, methodology and scope
- c) Management's view of the risks associated with the area under consideration (including any significant changes in system or people)
- d) Proposed timing of the audit work
- e) Reporting arrangements

Following these discussions a draft Terms of Reference (TOR) will be prepared. This will be sent to the Audit Owner and UEC Sponsor for approval.

3. Audit Fieldwork

The Lead Auditor will notify all people identified as relevant to the audit, of the purpose of the review and schedule for undertaking the work. Wherever possible, the Lead Auditor will work on site alongside the auditees and there is an expectation that suitable on-site accommodation will be provided.

Fieldwork will aim to create minimum disruption to auditees, and where possible, will accommodate urgent business priorities. Where significant delays to access to people and/or records are identified these will be discussed with the Audit Owner (and UEC Sponsor in extreme circumstances) and noted in final Audit Reports.

The audit process is likely to involve Sample Testing of transactions. The Auditor will select the sample of transactions for testing and will expect access to view transactions in source systems.

Any concerns about the audit work in progress should be escalated immediately to the HoUA (gillian.campbell@durham.ac.uk or ext. 44516) or University Secretary (jennifer.sewel@durham.ac.uk)

Any suspicions of fraud and/or error (including concerns about mismanagement) will be reported immediately to the Audit Owner or UEC Sponsor and the University Secretary. If necessary, these issues will be escalated to the University's Fraud Response Group and will be reported to the Audit Committee.

4. Reporting

A draft report will be prepared on completion of the audit assignment and circulated to the Audit Owner (or nominated officer) for first review and comment on factual findings. It is anticipated that the Audit Owner will provide comments and feedback on the draft report, along with any management actions required to address any report findings. Where this is not possible, or the HoUAS is not satisfied that the proposed actions are sufficient to address the report findings, the report will be escalated to the UEC Sponsor to provide a suitable response and management actions.

The draft report will be escalated to the Audit Owner / area Director if a suitable management response has not been received within 10 days of the draft report being issued, and to the UEC Sponsor if a response has not been received within 20 days of the report being issued. If no response is received after 30 days, the report will be escalated to the University Secretary and Vice Chancellor.

The final report will be sent to the UEC Sponsor (and other senior colleagues involved in the audit) for information and action. It will normally be available for other UEC colleagues to view (via Sharepoint), and will be provided to Audit Committee.

5. Auditee Feedback

On conclusion of a review, the HoUAS will invite feedback on the efficiency and effectiveness of the audit work completed from the Audit Owner and/or UEC Sponsor.

6. Follow Up

Following approval of the report by Audit Committee, the management actions will be added to the UAS Management Action Tracker system (Sharepoint) and be subject to regular review and follow up with the Audit Owner.

UEC will receive a monthly progress update, highlighting any management actions due within the next 3 months or overdue. Audit Committee will receive similar information at its regular meetings.