

Internal Audit Service

Audits

Audit approach

An initial meeting will be held with the head of department/school to discuss the scope and timing of the planned audit work. This allows us to gain an initial understanding of the objectives of the area to be reviewed and the risks which the audit should address.

It is also your opportunity to influence the scope of the audit, especially if there are any areas of concern where you feel we should focus our efforts.

There is no need to prepare documentation specifically for the audit.

The audit will involve discussions with staff and review of documents to gain an understanding of systems and processes. This information, supported by tests on how systems work in practice, is used to assess the systems under review. We consider how controls may be improved - this includes reducing unnecessary controls. We aim to identify practical and cost effective recommendations which take into account examples of good practice operating elsewhere.

We welcome input from managers and staff at each stage of the audit, and are always pleased to answer any questions about the audit.

A draft report is prepared and discussed to ensure factual accuracy and wherever possible agreement of the recommendations. Management responses to the recommendations made are obtained before completion of the final report.

How long does an audit take?

The time involved should not normally be significant, but this depends on the complexity of the assignment.

We are sensitive to the potential disruption that may occur during an audit and will always try to limit this, working around existing commitments wherever possible. Co-operation in arranging meetings as soon as possible helps to minimise the length of the audit.

Feedback

We provide a service to the University, and therefore it is important for us to receive feedback on the way we work. We sometimes issue feedback questionnaires at the end of an audit, but it is also helpful to receive informal feedback during the course of an audit. This enables us to continuously monitor and evaluate our working practices.

Comments are welcome anytime to the Director of Internal Audit
ias@nottingham.ac.uk

Suggestions for managing implementation of recommendations

Management are responsible for implementing agreed recommendations. Adopting a systematic approach, with implementation monitored against target dates will ensure that the benefits from the recommendations are achieved, and enable a straightforward follow-up audit.

It is helpful if any problems experienced during the implementation phase are communicated to IAS as soon as possible – we may be able to assist.

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IAS approach to systems development

It is important that the role of internal audit is clearly defined in relation to new corporate information systems introduced by the University. (This covers both package implementation and in-house development.)

Such projects are potentially high risk: costs and potential benefits are material, and systems often have widespread impact. The considerable pressures faced by projects combined with the limited resources available to internal audit make it important that audit work is clearly focused with the basis and timing of audit work agreed at the outset.

A generic three-fold approach is used for internal audit work on systems developments, addressing:

- project management
- key controls at pre-implementation stage
- post-implementation review.

The application of this to particular projects will be subject to discussion for each project and will be flexible.

Investigations

Internal audit may be involved in investigations of fraud or irregularities.

Internal auditors should assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management, who should institute adequate systems of internal control, including clear objectives, segregation of duties and authorisation procedures.

The University's Public Interest Disclosure (whistle blowing) procedure can be found below.

<http://www.nottingham.ac.uk/governance/otherregulations/whistleblowing/index.aspx>

Advice and good practice

The IAS plan includes provision for ad hoc reviews and development of good practice. Preparation of the IAS plan takes account of input from staff. If you consider that an area should be reviewed or if you would like advice on a proposed action or on good practice, please contact ias@nottingham.ac.uk