



AUDIT AND ADVISORY SERVICES INTERNAL AUDIT MANUAL

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PREFACE

This manual sets forth the authority and scope of the Audit and Advisory Services Program at Oregon Health and Science University (OHSU) and documents standards and guidelines for Audit and Advisory Services staff members. These guidelines provide consistency, stability, continuity, standards of acceptable performance, and a means of effectively coordinating the efforts of all staff members of Audit and Advisory Services. The contents of this manual will be updated periodically to support current OHSU policies and national internal audit standards.

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I. Authority, Organization and Professional Standards

A. Mission

The mission of Audit and Advisory Services (A&AS) is to assist the OHSU Board of Directors and management in the discharge of their oversight, management, and operating responsibilities by identifying and promulgating "best practices" within OHSU units, to strengthen internal controls and promote effective and efficient operations. In addition, A&AS provides independent audit and consultation services across the OHSU enterprise in the following areas: audit services, advisory services, investigation services, and external audit coordination. A key component of OHSU's institutional Integrity Program, A&AS is a resource to management, faculty, and staff in assessing and monitoring the OHSU enterprise.

B. Overview of the OHSU Integrity Program

A&AS is part of the OHSU Integrity Office; reporting directly to the Chief Integrity Officer and administratively up to the Vice President and General Counsel. In addition to A&AS, the Information Privacy and Security, Hospitals and Clinics Integrity, Integrity Education, and Environmental Health and Radiation Safety units report to Chief Integrity Officer as part of the OHSU Integrity Program. See "Exhibit A" for a copy of the OHSU Integrity Office organization chart.

C. Audit & Advisory Services Program Charter

1. Definition

Internal audit is the independent, objective, and systematic examination and evaluation of an institution's operations, procedures, systems, and/or compliance with laws, regulations, guidelines, and policies.

2. Purpose –Audit and Advisory Services Program

At OHSU, the A&AS Program is implemented to assist and advise the Board of Directors, the President and Vice Presidents, and all levels of management.

a. Audit Focus Areas

The A&AS Program may examine and evaluate effectiveness in any of OHSU's operations. There are certain Core Audit Areas that will be evaluated on a regular basis.

3. Audit and Advisory Services Roles and Responsibilities

a. Audit and Advisory Services Program

The A&AS Program will establish audit priorities and plans via the A&AS Committee. The Chief Integrity Officer and A&AS staff are responsible for addressing the priorities and plan by identifying and assessing risks; recommending systems and procedures that intend to manage, reduce, or eliminate those risks; identifying gaps in policies and procedures that are critical to OHSU's missions; facilitating the economical, efficient, and responsible use of resources entrusted to OHSU; and recommending means for

correcting or ameliorating problems or issues of non-compliance that are identified in the audit process.

b. Chief Integrity Officer

The Chief Integrity Officer is responsible for the budget, overall function, and implementation of the A&AS Program. This position makes periodic internal audit reports to the A&AS Committee, the Executive Leadership Team, the Finance & Audit Committee, and the Board of Directors. The Chief Integrity Officer will review and sign all audits and other projects prior to forwarding them to the Client for requested follow-up actions. If the Chief Integrity Officer has a conflict of interest related to a specific project or an area that is the subject of a project, the Director of the OHSU Integrity Office will provide oversight and sign the reports.

c. Director, OHSU Integrity Office

The Director of the OHSU Integrity Office is responsible for assisting the Chief Integrity Officer in guiding the development and function of the A&AS Program. In this capacity, the Director will meet with and advise the Audit Manager and other auditors, participate in reporting to various committees and groups, and review and sign audits and other projects when there may be a conflict of interest or the appearance of such on the part of the Chief Integrity Officer.

d. Audit Manager

The Audit Manager is responsible for the day-to-day operation and management of the A&AS Program and its staff, development and implementation of the audit plan, and staffing of the A&AS Committee.

e. Audit and Advisory Services Committee

The A&AS Committee advises the Chief Integrity Officer concerning the A&AS Program, including budget, audit priorities, and other matters related to A&AS that the Chief Integrity Officer might bring to the A&AS Committee. This committee will determine internal audit priorities on at least an annual basis and will approve the internal audit plan periodically.

f. Audit and Advisory Services Committee Process

The A&AS Committee will meet on a regular basis but no less than quarterly. The Committee may meet more often if it determines there are agenda items needing prompt attention. The A&AS Committee may also conduct business via electronic (i.e., e-mail) means. The group will generate audit priorities on a continuous basis (i.e., a prioritized list of audit areas will be confirmed, amended, or re-prioritized as appropriate). The Committee will receive reports of completed audits, advisory services projects, and investigations and provide advice regarding recommendations and follow-up.

g. Client

- i. Core, supplemental, and follow-up audits determined by the A&AS Committee: The VP responsible for the area being audited or reviewed.
- ii. Audits/services performed at the direction of legal counsel: The General Counsel and the attorney directing the audit or service.
- iii. Advisory services or investigations not done at the direction of legal counsel: The person requesting the service and the VP and school/unit director responsible for the area being reviewed.

4. Professional Standardsa. Published Standards

The A&AS Program functions in a manner consistent with professional standards established by the Institute of Internal Auditors (IIA). The three documents that define these standards are:

- i. The IIA Code of Ethics;
- ii. The IIA Standards for the Professional Practice of Internal Auditing; and
- iii. The IIA Practice Advisories

The documents may be found on the Institute's website (<http://www.theiia.org/>). **Exhibit B** contains these three documents.

b. Independence

All audit activities and auditors shall be free of any conflict of interest or the appearance of conflict of interest related to the area being audited. Auditors must have no direct operational responsibility or authority over the activities, procedures, or systems being audited. In addition, auditors will not be responsible for, nor have been responsible for the development or implementation of policies, procedures, systems, or management of the area being audited at anytime within the 24 months preceding the audit.

If a Client believes that a specific auditor may lack objectivity in performing a project, the concern will be brought to the Chief Integrity Officer and the Director of the OHSU Integrity Office, who will discuss the concerns with the Client and make a final decision regarding the assignment. When conducting internal audits, internal auditors shall be free from interference in determining the scope of projects, performing their work, and communicating results (IIA Standards 1110.A1).

5. Audit Activities, Planning, and Scopea. Audit Activities

Internal auditors, at the direction of the Chief Integrity Officer, will use accepted internal audit methods and procedures to collect data for analysis. Data will be appropriately analyzed, tabulated (when necessary), and presented to the Chief Integrity Officer in written reports. Auditors will be expected to present suggestions for potential

remediation of problems or issues that are identified. The Chief Integrity Officer will share the report with the appropriate Vice President or other executive member as detailed in section 7(a) of this Charter.

b. Audit Planning

The A&AS plan will be approved by the A&AS Committee, implemented by the Chief Integrity Officer, and updated and re-prioritized according to on-going analysis of risk-based information and service requests brought to the Chief Integrity Officer.

c. Audit Scope

Except for audits performed at the direction of counsel, the Chief Integrity Officer, in conjunction with A&AS staff, will determine the scope of each audit on a case-by-case basis. The scope of any services performed at the direction of legal counsel to assist counsel in providing legal advice to the institution, shall be determined by the OHSU attorney who is directing the service.

6. Audit and Advisory Services Program Authority and Access

a. Chief Integrity Officer

The Chief Integrity Officer and those auditors directed by him/her are granted authority to carry out their duties by the President and the Board of Directors. The Chief Integrity Officer and designated auditors are granted complete and unrestricted access to any and all of OHSU's records, physical properties, employees, students, and other personnel as required for them to discharge their responsibilities. OHSU legal counsel may determine that an audit or other service must be done in order to assist counsel in providing legal advice. In such instances, counsel will advise the Chief Integrity Officer and the Audit Manager that the work will proceed at the advice of counsel and according to the rules of attorney-client privilege.

b. Audit & Advisory Services Committee

The A&AS Committee will be advised of audit results and of the Client's response to the results. The Committee will determine whether or not a Client's response to the recommendations of the auditor is complete and adequate. In instances where an auditor and the Client are not able to agree upon the status of recommendations or response, the matter will be referred to the A&AS Committee, which will provide direction for appropriate action.

c. OHSU President

In instances where the Client's response to the recommendations of the auditor is determined by the A&AS Committee to be insufficient and the Client refuses to modify that response, the matter will be remanded to the OHSU President. The President may enforce the A&AS Committee's decision as it stands or request that the Committee consider new facts/information that may modify the decision.

d. OHSU Board of Directors

The OHSU Board of Directors has ultimate authority to determine the completeness and adequacy of a Client's response to the recommendations of the auditor. In instances where a controverted matter is related to legal or regulatory requirement or may result in inaccuracies on OHSU's financial statements, and disagreement persists, the matter will be taken to the Board of Directors, by the Chief Integrity Officer and/or the Director of the OHSU Integrity Office for a final decision.

7. Organization

a. Operational Structure

The Chief Integrity Officer reports to the Vice President and General Counsel. For the purposes of reporting audit findings and proposing follow-up action, the Chief Integrity Officer will report to the President, Vice Presidents, Integrity Program Oversight Council, Board of Directors Finance and Audit Committee, and A&AS Committee as appropriate.

b. Audit & Advisory Services Committee Membership

The A&AS Committee will include the following members:

- OHSU Vice President and Chief Financial Officer;
- Executive Vice President;
- Comptroller;
- Associate Director of Finance for Hospitals & Clinics;
- Associate Dean for Finance, School of Medicine;
- Vice Provost – Main Campus;
- Vice Provost – West Campus;
- Representative – OHSU Foundation;
- Representative – OHSUMG;
- Chief Integrity Officer;
- Director of the OHSU Integrity Office;
- Director of Risk Management;
- Representative – OHSU Research Development & Administration;
- Manager, A&AS; and
- OHSU's Vice President and General Counsel (attending as counsel to the A&AS Committee but not a member of the Committee).

8. Objectivity

In compliance with published professional standards and Section D-2 of this Charter, no auditor or member of the A&AS Committee may be the sole determiner in selecting or rejecting an area for internal audit, determining the scope of the audit, or performing any part of the audit for a school, unit, department, division, function, or other area for which he/she has oversight or other operational responsibility. If any member of the A&AS Committee perceives impairment to independence or objectivity in making an internal audit decision or deliberating about internal audit priorities, he or she shall declare that impairment and recuse himself or herself from that part of the discussion.

9. Confidentiality

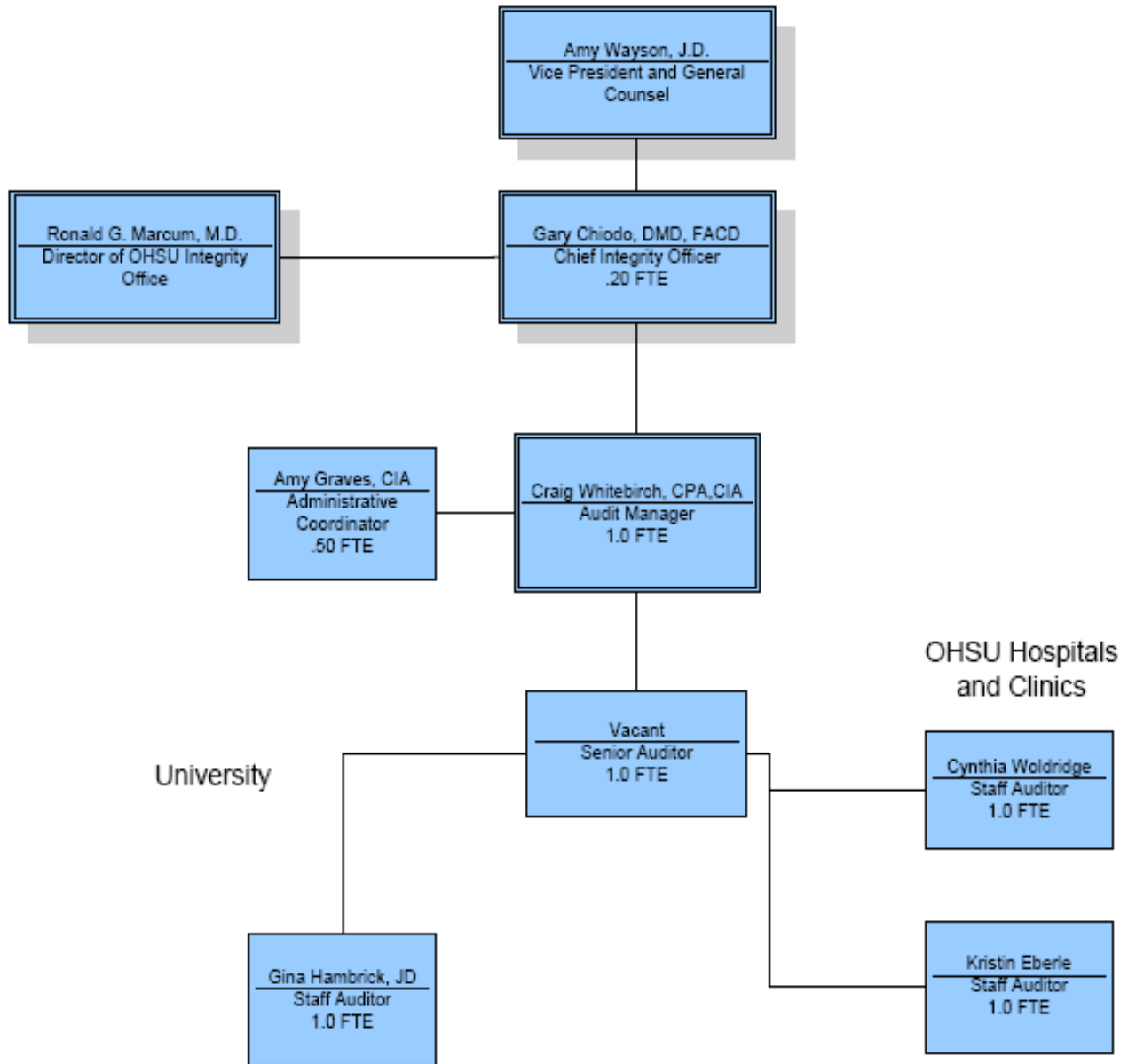
During or prior to the conduct of an audit, a member of the A&AS Committee who oversees or has operational responsibility for an area that is the subject of an internal audit may share information about the internal audit with staff and others in that area only as directed by the Audit Manager conducting the audit or the Chief Integrity Officer. Members of the A&AS Committee will maintain a high degree of confidentiality related to areas selected for audit; audit findings, recommendations, and responses; and the deliberations of the Committee. As a general rule, this information may be shared on a need to know basis and as authorized by the Chief Integrity Officer or the Audit Manager. With respect to audits done at the direction of legal counsel, any/all disclosures relating to the audit shall be consistent with and only as directed by counsel.

10. Reports

Other than reports prepared at the direction of legal counsel, written reports produced for all internal audits will be forwarded to the Chief Integrity Officer. The Chief Integrity Officer will review the reports for completeness, responsiveness, independence, objectivity, due professional care, and other IIA performance standards. The reports will then be distributed to the Client. Per national internal auditing standards, the internal auditors will propose methods of corrective action and best practices related to matters within the scope of an audit for management's consideration; they do not dictate to management. Through the process of conducting an exit conference with the client, agreement should be reached on the facts and a reasonable course of action. This agreement will then be reflected in the final report. The Chief Integrity Officer and/or Audit Manager will work with the Client to determine the types and extent of follow-up actions related to significant audit findings. Summary reports of audit findings, recommendations, and responses will be provided to the A&AS Committee.

11. Organization Chart

Audit and Advisory Services
Organization Chart
October 1, 2007



Total Audit and Advisory Services FTE: 5.70

II. Internal Audit Program Planning and Reporting

A. Internal Audit Program Strategic Plan 2005-2009

The A&AS 5 Year Strategic Plan for 2005-2009 was developed in October 2004 and is presented as "Exhibit C."

B. Areas of Concentration and Services

A&AS divides its efforts across the three major mission areas of OHSU: health care, education, and research. A&AS concentrates its efforts in the following areas: the University, OHSU Hospitals and Clinics, Anti-Fraud Prevention, and Information Technology and Security. "Exhibit D" presents a matrix of each area and the typical certifications required for staff assigned to those areas, professional organizations, policies and procedures, management meetings, and typical areas reviewed. A&AS performs the following types of services within each area of concentration:

1. Audit Services:

Each fiscal year, A&AS develops an annual audit plan. The plan is developed based on available staff resources and the performance of a risk assessment and includes significant input from OHSU management. The plan is submitted to and approved by the A&AS Committee. The objectives of developing the annual audit plan are to ensure that areas of high risk are prioritized and that there is adequate audit coverage across the whole OHSU enterprise and all mission areas. A majority of A&AS staff resources is spent performing Audit Services. These projects include planned audits, follow-up audits, supplemental audits, and special projects.

2. Advisory Services:

A&AS is available to respond to requests from management for services that are more advisory in nature than traditional audits. These types of advisory services can include items such as consultations, special projects, internal control and accountability reviews, and systems development and reengineering projects. A&AS is staffed with employees who have diverse backgrounds and certifications in areas such as higher education, public accounting, healthcare, governmental and non-profit agencies, and research administration. It is expected that, in the context of advisory services, A&AS staff will rely upon that experience to pass on their knowledge of OHSU and "best practices" to OHSU units.

3. Investigation Services:

A&AS is staffed with professionals who have experience in and certification to conduct fraud investigations. These types of services can include looking into suspected financial irregularities whether reported by whistleblowers, uncovered in the course of regular audits, or based upon concerns conveyed by management. When investigating suspected or alleged misuse of OHSU resources, A&AS objectives are to verify the facts, provide

an objective and confidential review, and recommend corrective actions to help ensure similar actions do not occur in the future.

C. Guidelines for Reporting to the Finance and Audit Committee of the OHSU Board of Directors

A&AS meets with members of the OHSU Finance and Audit Committee on a periodic basis to report on audit priorities, significant findings, staffing issues, and budget. An *Annual Report on Internal Audit Program Activities* is also provided to Finance and Audit Committee members.

D. Guidelines for the Integrity Program Oversight Committee

A&AS meets with the OHSU Integrity Program Oversight Council (IPOC) on a periodic basis to report on staffing issues, audit priorities, and significant findings and recommendations. An *Annual Report on Internal Audit Program Activities* is provided to this Council. The IPOC was established to provide high-level oversight of the OHSU Integrity Program.

E. Guidelines for Projects Performed at the Direction of Counsel

Certain matters are undertaken by Audit & Advisory Services under the direction of legal counsel. In those cases the staff person will contact the attorney in charge prior to initiating activity in order to obtain instructions and will follow the directions of the attorney in charge with respect to the collection of information, interviews, analysis, reporting and the like.

F. Guidelines for Classifying Report Recommendations

As explained in section VIII of this manual, the word “should,” when used in audit recommendations connotes a mandatory obligation. Accordingly, audit recommendations will generally use this word when the recommendation must be followed to comply with a specific regulation or official guidance. Audit recommendations will be further classified according to the following categories:

1. Category A: The recommendation is intended to ensure compliance with legal and/or regulatory requirements.
2. Category B: The recommendation will result in an economic benefit for OHSU – i.e., a quantifiably return on investment.
3. Category C: The recommendation is made to modify existing practice or controls to be consistent with best practices as determined from similar institutions and IIA guidance.

G. Guidelines for Working with OHSU Hospital and Clinics Integrity

A&AS works closely with Hospital and Clinics Integrity to coordinate reviews of the clinical enterprise to avoid effort duplication. Each unit shares information on its annual risk assessment and information related to audit findings and recommendations. OHSU Hospitals and Clinics Integrity fosters and supports a strong commitment to honest, ethical, and legal behavior within

OHSU Hospitals and Clinics. Through prevention, detection, and correction, this program helps to minimize the risk of unlawful or improper behavior.

H. Annual Audit Plan

The *Annual Audit Plan* is developed each year based on a formal risk assessment in accordance with the International Standards for the Professional Practice of Internal Auditing Standards 2010 – Planning, and 2020 – Communication and Approval. The process of performing this risk assessment is described in detail in section II-N of this manual. The *Annual Audit Plan* consists of the following elements:

- Gross and Net Available Hours
- Distribution of Net Available Audit Hours
- Actual Distribution of Hours as Compared to Budgeted
- Distribution of Total Direct Hours
- Summary of Planned Projects and Hours by OHSU Executive Officer/Vice President and Functional Area
- Summary of All Planned Projects
- Planned Carry Forward Projects
- Planned Follow-up Audits
- Planned New Core and Regulatory Audits

The *Annual Audit Plan* is submitted to the A&AS Committee for review and approval and is submitted to the OHSU Finance and Audit Committee for review. The following definitions for Gross and Net Available Hours and Distribution of Net Available Audit Hours are used in the development of the *Annual Audit Plan*:

I. Gross and Net Available Hours Categories and Definitions

1. **Authorized Personnel (FTEs)** – The number of FTEs actually employed by A&AS during the year to fulfill the audit plan.
2. **Total Audit FTE** – The number of FTEs engaged in performing audits, advisory services, or investigation activities.
3. **Audit Work Hours in the Year** – The total audit FTE multiplied by 2,080 hours in the work year.
4. **Other Resources** – This category will be used for paid overtime hours, contract labor, and student interns.
5. **Gross Available Hours** – Audit work hours in the year plus other resources.
6. **Non-Controllable Hours** – This category is for vacation, sick leave, and holidays. The maximum number of hours allowed in each category, depending on the employee's

payroll classification, is subtracted from audit work hours in the year to arrive at net available audit hours.

7. **Net Available Audit Hours** – Gross available hours minus non-controllable hours.
8. **Net Available Non-Audit Hours** – Represents hours for FTEs that are part of the A&AS Program, but do not perform actual audits.

J. Distribution of Net Audit Hours Categories and Definitions

1. **Indirect Hours** – Indirect hours include hours spent on the following administration and professional development activities:

Managing the A&AS Program - This includes developing and maintaining the OHSU Internal Audit Manual, developing TeamMate and workpaper templates, training audit staff, and maintaining the A&AS web page. The Audit Manager uses this category to record time spent managing the A&AS Program.

Administration – This includes reading professional newsletters, listserv e-mails, meeting with the Chief Integrity Officer and the Director of the OHSU Integrity Office, A&AS staff meetings, performance reviews, recruiting A&AS staff, and other general administrative activities.

Professional Development – This includes attending professional development conferences and courses and in-house OHSU training and training conducted via distance learning and webcast events.

2. **Direct Hours** – Direct Hours consist of hours spent on Audit Services, Advisory Services, Investigation Services, External Audit Coordination, and Audit Support Activities.

K. Audit Services

1. Planned Carry Forward – This includes anticipated hours that will be spent to complete audits, advisory services, and investigation services projects from the prior fiscal year.
2. Planned Core Audits – Core audits are established to ensure fundamental business operations and processes are reviewed periodically over time, in addition to the high risk audit areas. The following are the core areas that will be reviewed on a regular basis:
 - Cash
 - Payroll
 - Human Resources
 - Equipment Inventory
 - Accounts Payable
 - Purchasing
 - Billing and Coding
 - Contracting

Each year, A&AS staff and available resources will be deployed to review financial and administrative activities within several departments, units, and research institutes.

3. Planned Regulatory Audits – Planned regulatory audits are selected based on the formal risk assessment described in Section II-N of this manual.
4. Planned Information Technology and Security – This category represents planned audits that are performed in the area of information technology and security.
5. Planned Follow-up Audits – This includes work performed as part of follow-up audits on completed projects. The goal is to perform a follow-up review approximately six months after the date of the auditee's response to the agreed upon recommendations in the original audit.
6. Supplemental Audits – This category captures the dynamic nature of the A&AS Program and provides flexibility in the annual audit plan. Audits undertaken on a special request basis or because of interim amendments to the risk assessment results are supplemental audits. Audit work undertaken within the budget for supplemental audits is at the discretion of the Chief Integrity Officer and the A&AS Committee or may be at the request of legal counsel. If the volume of supplemental audits exceeds the budget in this category, then other planned work may be displaced or delayed.

L. Advisory Services

1. **Planned Carry Forward** This includes anticipated hours that will be spent to complete advisory services projects from the prior fiscal year.
2. **Planned Advisory Services** – Advisory Services is comprised of categories for consultations and special projects. Advisory Services can be either planned or arise during the year. Projects will be classified by their nature and care will be taken to appropriately distinguish activities that are Audit Services versus those that are Advisory Services.
3. **Supplemental Advisory Services** – This category is similar to the planned supplemental audits category. A set number of hours are set aside for advisory services projects that are not planned as of the beginning of the fiscal year.

M. Investigation Services

1. **Planned Carry Forward** - This includes anticipated hours that will be spent to complete investigation projects from the prior fiscal year.
2. **Supplemental Investigations** - This category is similar to the planned supplemental audits category. A set number of hours is set aside for investigation projects that are not known at the beginning of the fiscal year.

N. Audit Support Activities

1. **Audit Planning** – Time in this category represents hours spent meeting with OHSU senior management to discuss high risk areas, performing a risk assessment of the OHSU audit universe, running reports to review the financial activity of the auditable entities, and developing the annual audit plan.
2. **External Audit Coordination** – Time in this category represents hours spent meeting with the external auditors throughout the fiscal year. A majority of the meetings are to discuss high risk areas and coordination of planned audit approaches to help ensure there is no duplication of effort.
3. **A&AS Committees** – Hours spent to prepare for the quarterly A&AS Committee meetings.
4. **Quality Assurance** – The quality assurance category is for hours devoted to performing periodic quality assurance reviews of the A&AS Program. This includes post-issuance report reviews, post-completion checks for documentation, and reviews for compliance with professional standards and A&AS Program procedures. Examples of time not included in this category are project specific time that belongs in the project such as supervision, secondary reviews, or pre-report issuance quality assurance measures.
5. **Computer Support** - This represents time devoted by the A&AS Program Administrative Coordinator and Audit Manager administering TeamMate and Timesheet Professional.

O. Risk Assessment and Annual Audit Plan Methodologies

The following risk assessment methodology developed by the University of California was adopted by the OHSU A&AS Program to score the University and OHSU Hospitals and Clinics auditable entities. The scoring of the auditable entities for both groups helps determine the new planned audits each fiscal year.

Risk Assessment and Planning Assumptions

1. **Deliverables** (Risk Assessment and Audit Plan)
 - a. Goal: Completed by June 30th of each fiscal year.
 - b. Scored Audit Universe (for both the University and OHSU Hospitals and Clinics): Sorted by Descending Score for both the University and OHSU Hospitals and Clinics. The items on proposed Audit Plan should be highlighted.
2. **Resources Used to Identify Risks**

The following resources are used to help identify risks for the annual audit plan:

- a. OHSU Strategic Plans – Obtain the most recent information regarding OHSU's Strategic Plans. This includes both the University and OHSU Hospitals and Clinics.

- b. OHSU Senior Management Input – To help identify high risk areas or areas of concern for the individual units they manage, and to get their opinion on what they see as challenges and risks facing the institution as a whole. An example of a *Risk Assessment Survey* that was sent to OHSU senior management is presented in “Exhibit E.”
- c. OIG Work Plan – Review the annual Office of Inspector General (OIG) Work Plan to make sure the auditable entities included current topics per the work plan.
- d. OIG Compliance Program Guidance – Review the OIG’s “Supplemental Compliance Program Guidance for Hospitals” dated January 2005. This program guidance includes specific risk areas that the government sees as exposures.
- e. OIG Fraud Alerts, Bulletins, and Other Guidance – Review these for high risk areas. Website: <http://oig.hhs.gov/fraud/fraudalerts.html>
- f. OIG Office of Audit Services – Review audit reports that have been issued by the Office of Audit Services. Website: <http://oig.hhs.gov/oas/oas.html>
- g. Professional List Servs and Organizations – Review current risk areas per the following: Association of College and University Auditors (ACUA), Association of Healthcare Internal Auditors (AHIA), Healthcare Financial Management Association (HFMA), Institute of Internal Auditors (IIA), and the Association of Certified Fraud Examiners (ACFE).
- h. Professional Newsletters and Publications – Review current risk areas per the following: Health Care Auditing Strategies and Report on Research Compliance.
- i. OHSU Financial Statements – Review the June 30th year end financial statements and notes to the financial statements for any high risk areas.
- j. OHSU Hospitals and Clinics Orgs – Review all the OHSU Hospitals and Clinics orgs to ensure that all auditable entities are identified. In addition, review total revenue and expenses for each org to determine the volume of financial activity and business exposure.
- k. University Academic and Research Orgs - Review all university academic and research orgs to ensure all auditable entities are identified. In addition, review total revenue and expenses for each to determine the volume of financial activity and business exposure.
- l. Compliance Hotline – Review concerns reported through the compliance hotline to determine if there are any repetitive issues identified in a particular department, division or unit.
- m. Review of other College and University Internal Audit Programs – Review other college and university Internal Audit Program’s risk assessments to determine high risk areas of concern on their campuses.

- n. Discussion with External Auditors – Meet with the external auditors to discuss areas that they perceive to be high risk and to avoid any duplication of effort.

The current *University Auditable Entities* is presented in “Exhibit F” and the *OHSU Hospitals and Clinics Auditable Entities* is presented in “Exhibit G.”

3. Estimated Timeline

Step	Description	Due Date
	Develop Risk Assessment Methodology – The University of California will be used as the current model.	January
	Obtain copies of the most recent OHSU Strategic Plans to help identify risks that would prevent OHSU Senior Management’s objectives from being achieved.	January and February
	Meet with VPs, Deans, Directors, Administrators, and other OHSU Senior Management to obtain their feedback on high-risk areas.	February to March
	Summarize results of meetings and identify contemporary risks that would prevent strategic plan objectives from being achieved.	April
	Define OHSU Audit Universe	April
	Score auditable entities using the predictive factors and value weights.	May
	Develop the annual audit plan.	June 30th
	A&AS submits plan to the A&AS Committee.	July

4. Risk Model (Predictive Factors & Weights)

The risk model is used by A&AS to evaluate and rank risks across the OHSU enterprise in all mission areas. Periodic risk assessments are an essential part of an A&AS program and help the institution make informed decisions related to resource allocation for internal controls. In addition, risk assessments provide information for the A&AS Committee that enables it to properly determine audit priorities and develop an annual audit plan.

Each predictive factor in the risk model is assigned a score of one (lowest risk) to four (highest risk) on a judgmental basis. Scores are then multiplied by the proposed value weight indicated. The highest resulting risk index for any topic would be 800.

5. Definition of Predictive Factors and Value Weights

a. Quality and Stability of Control Environment

Assessment of control environment should be based on factors such as the adequacy and stability of the existing control structure, expertise of management, historical problems, changes in management personnel or structure, interval since the last audit review, conditions found during recent reviews, adherence to the budget, complexity of operations and technology, and the

overall effectiveness and efficiency of operations. The relative performance of a function as perceived by managers may influence risk. A function's existing and future operations and changes in management personnel or structure can also influence risk. Significant downsizing, early retirement programs, and reengineering efforts to streamline processes may also increase control risk. In general, effective management reduces overall risk.

Descriptive Key Phrases to Assist in Risk Assessment of the Control Environment

- One.* High confidence in control environment, well run organization, good reputation, efficient and effective operations, sound system of internal control, recently audited with good results, stable organization, no increase or decline in budget.
- Two.* Good/reasonable confidence in control environment, audited with moderate issues within the last three- five years with completed follow-up and corrective actions, average turnover in key personnel, average change in prior year budget.
- Three.* Limited confidence in control environment, not audited within the last five years, management changes, significant change in processes, downsizing, early retirements, turnover in key personnel.
- Four.* Little or no confidence in control environment, no prior audit coverage, or fairly recent audit with significant unresolved issues or material cash losses, poor institutional reputation, high whistleblower or grievance activity, high turnover, major system changes, significant reengineering, significant change in prior year budget.

b. **Business Exposure (Materiality and Liquidity of Operational Resources)**

Larger potential losses are normally associated with larger sized activities, as indicated by revenues and expenditures. Other things being equal, large dollar amounts either flowing through a system or committed to an activity or project will increase audit interest. Dollar amount and relative liquidity of assets safeguarded will impact this factor. Other objective information to be considered for each auditable unit includes: the dollar amount of cash receipts, receivables, inventory, and plant and property safeguarded.

Descriptive Key Phrases to Assist in Risk Assessment of Business Exposure

- One.* Low probability of loss/ Exposure potential is relatively immaterial.
- Two.* Exposure represents a relatively low percentage of total institutional operations, loss probability is moderate.
- Three.* Exposure represents a moderate percentage of total institutional operations, loss probability is significant.
- Four.* Exposure represents a significant percentage of total institutional operations, loss probability is high.

c. Public and Political Sensitivity

A public relations exposure exists whenever an event occurs which would erode public confidence in the institution. The probability of adverse publicity, reduced support, a tarnished reputation, erosion of the legitimacy of the institution's mission, depletion of goodwill, and miscommunication of traditional values will influence this factor. Selected audit topics may not appear to be material, but could nevertheless influence risk. As sensitivity, exposure, or potential for public embarrassment increases, the risk factor assigned will increase.

Descriptive Key Phrases to Assist in Risk Assessment of Public and Political Sensitivity

- One.* No press or local press interest in generic topic/ Exposure potential is relatively immaterial.
- Two.* Somewhat politically sensitive, but interest is narrowly focused to a limited audience.
- Three.* State or Federal audit interest, high public interest.
- Four.* OHSU Board of Directors, national exposure, loss of funding, extreme public interest.

d. Compliance Requirements

Compliance requirements address all internal and external policy, procedure, regulatory, and statutory matters affecting the operations of the organization as a whole or any of its sub-units. Complexity and clarity of internal/external requirements impact an organization's ability to comply, and therefore influence risk. Risk associated with non-compliance relates to the inability to meet business objectives, which can result in monetary loss due to improper business practices, the levy of fines or litigation, loss of funding sources, and disallowed costs from funding agencies.

Descriptive Key Phrases to Assist in Risk Assessment of Compliance Requirements

- One.* Few or limited regulations; clear and simple policies, procedures, and guidance; flexibility permitted in meeting policies, procedures, and regulations.
- Two.* Moderate or significant percentage of transactions subject to policies, procedures, and regulations; effective and efficient business processes.
- Three.* Significant or high percentage of transactions subject to complex policies, procedures, and regulations; heavy fines, unallowable costs, somewhat inefficient or ineffective processes.
- Four.* High percentage of transactions subject to complex and changing policies, procedures, and regulations; ineffective or inefficient processes; high probability of monetary or funding source loss.

e. Information Technology and Management Reporting

Information is needed at all levels of an organization to run the business, and move toward achievement of the institution’s objectives in all categories. Information is used in developing financial statements for external dissemination, for operating decisions, and for monitoring performance, providing services, and allocating resources. Reliable internal measurements are also essential to planning, budgeting, pricing, evaluating vendor performance, evaluating joint ventures, and other activities. Other objective information to be considered for each auditable unit includes the accuracy, availability, and integrity of the information provided either via manual or automated systems. Information technology factors include: system’s age, processing stability, security, and complexity. In addition, the IT system, application, or entity such as a data center needs to be evaluated as to the institution-wide impact due to a temporary or major loss of service.

Descriptive Key Phrases to Assist in Risk Assessment of Information Technology and Management

- One.* High degree of accuracy, availability, timeliness, & usefulness of information and information system, application, or institution is secure, stable, utilizes good technology, and has adequate and trained staff. Loss of access to system generated information or reporting capability would have low institutional, process, or entity impact.
- Two.* Some minor issues of accuracy, timeliness, or usefulness of information; system, application, and entity are relatively stable and secure; needs minor enhancements to fully achieve appropriate system objectives and functionality; implementation of system was adequate.
- Three.* Uncertain reliability of data, timeliness of information, or usefulness; information system, application, or entity is complex or newly implemented and tested; loss of access to system or reporting will have fairly major institutional or process impact; system may be older and unable to provide necessary data; system is complex, impacts other processes or entities, or may support life safety process or entities.
- Four.* Low degree of information accuracy, availability, timeliness, and usefulness; information system or application is outdated, unstable, and has poor security; system is highly complex, has institution-wide impact, is mission critical, or supports life safety processes or activities; computing risks have not been adequately addressed or controlled.

Value Weights by Environment

Points (percentage)

Factor	University	OHSU Hospitals and Clinics
Quality and Stability of Control Environment	60 (30%)	60 (30%)
Business Exposure (Materiality and Liquidity of Operational Resources)	50 (25%)	50 (25%)

Public & Political Sensitivity	30 (15%)	20 (10%)
Compliance Requirements	20 (10%)	40 (20%)
Information Technology and Management Reporting	40 (20%)	30 (15%)

* Risk scoring methodology adopted from the University of California system.

For every item being rated, we scored all 5 risk factors – with 1 (lowest risk), 2, 3, or 4 (highest risk). The score was then multiplied by each of the weighted points.

Highest risk for an auditable entity = 800

Lowest risk for an auditable entity = 200

6. **Current Functional Areas used in the Scoring of the auditable entities:**

Financial Management
 Research Compliance
 OHSU Hospitals and Clinics
 Information Technology and Security
 Academic Schools, Departments, Divisions and Units
 Institutes, Programs, and Centers
 Auxiliary Business and Employee Support
 Facilities Management and Construction
 Office of the President
 Development and External Relations
 Other (e.g., Foundations, Business Associates, et. al.)

III. **Audit Services**

The audit services described in this manual will contain the following elements:

A. Communication with the Client

One of the most important parts of performing an audit is developing good client relationships and maintaining communication about the progress of the audit throughout the project. Each project will be assigned an auditor-in-charge. The auditor-in-charge is responsible for ensuring the project is completed within budgeted hours and documented according to standards developed within the OHSU Internal Audit Manual. The auditor-in-charge has day-to-day responsibilities for the audit staff assigned to the project; this includes assigning work, reviewing workpapers, and mentoring. The auditor-in-charge is responsible for keeping the Client updated on the progress of the project; the communication should be documented in TeamMate. This communication can be in person or via e-mail, but should be done at a minimum on a monthly basis.

B. Communication with the Audit Manager

The auditor-in-charge is responsible for keeping the Audit Manager informed about the status of all projects assigned to him/her. Updates should be done in person with the Audit Manager on a

weekly basis or more frequently, if needed. The purpose of the meetings is to inform the Audit Manager about the progress of the audit, significant findings, scope limitations, changes in scope, staffing and Client issues, or any other information necessary to complete the project. The Audit Manager is responsible for updating the Chief Integrity Officer and Director of the OHSU Integrity Office about A&AS Program activities during their bi-weekly meetings.

C. Engagement Planning and Preliminary Survey

The planning phase of each audit begins with an *Engagement Letter* that is sent to the person anticipated to be the Client (See section III-F of the A&AS Charter).

The *Engagement Letter* describes the purpose of the audit, lists the A&AS staff involved, estimates the timing of the engagement, and is signed by the Chief Integrity Officer or the Director of the OHSU Integrity Office and by the Audit Manager. The *Engagement Letter* is followed by an entrance conference with the Client and his/her designees, to facilitate the beginning of the audit, discuss the details of the purpose and scope of the audit, and determine who the auditee contact will be on the engagement. An *Entrance Conference Agenda* will be prepared that will be used as a guide for the meeting and documents what will be discussed with the Client during the entrance conference meeting. Items discussed with the Client such as Client requests, scope changes, detailed discussions of issues, or any other unusual items should be documented in an *Entrance Conference Meeting Notes* document and included in TeamMate.

The entrance conference is also a good time to present the Client with a *List of Preliminary Survey Items Needed* as part of the preliminary survey phase of the project. This phase of the audit includes obtaining background information and a practical working knowledge of the following types of information:

- *Mission Statements*
- *Organization Charts*
- *Summary of Revenues by Object Codes*
- *Summary of Expenses by Fund Type*
- *Listing of Policies and Procedures*
- *Listing of Fiscal Authorities*
- *Walk-troughs and Narratives*
- *Internal Control Questionnaires*
- *Flowcharts*
- *Significant Business Processes and Key Controls*
- *Evaluation of Existing Internal Controls*

The purpose of the preliminary survey is to identify significant problems or high-risk areas anticipated to be tested and is a way for the auditor to become more familiar with the objectives, processes, risks, and controls related to the area under review. Information from the preliminary

survey is used to prepare the *Audit Plan* and *Audit Program*. The preliminary survey phase is documented in the “Engagement Planning” section of TeamMate.

The workpapers in the Engagement Planning section of TeamMate should be signed off by the staff auditor and auditor-in-charge prior to submitting the *Audit Plan* and *Audit Program* to the Audit Manager for approval.

D. Audit Plan

The *Audit Plan* will be prepared using information obtained from the preliminary survey. It should include background on the area being reviewed, key processes, planned assessments, audit strategy, key contacts, the budgeted hours, estimated audit timing, and engagement resource allocation. The *Audit Plan* will be signed by the auditor-in-charge and staff auditors and approved by the Audit Manager.

E. Audit Program

The *Audit Program* will be prepared after the completion of the preliminary survey and audit plan and will document the areas and detailed steps that will be tested during the fieldwork stage of the audit. The *Audit Program* will include the overall objective of the project and be approved by the Audit Manager prior to starting any fieldwork.

F. Fieldwork

The A&AS Program maintains adequate workpaper documentation to support all audit work performed and conclusions reached. A&AS staff base conclusions and engagement results on appropriate analyses and evaluations of the factual information collected. TeamMate is the electronic workpaper program and official record of where all fieldwork performed is documented. All fieldwork is documented using the *Statement of Work Performed* template. Fieldwork supervision is the responsibility of the auditor-in-charge and Audit Manager to ensure assigned staff is properly supervised, objectives are achieved, and quality is assured. The auditor-in-charge should periodically work at the auditee site with the assigned staff auditors to help mentor and coach their work.

Findings and recommendations that result from performing the fieldwork include the following attributes and are documented as an *Exception* in Teammate:

- **Criteria:** The standards, measures, or expectations used in making an evaluation and/or verification (what should exist).
- **Condition:** The factual evidence that the internal auditor found in the course of the examination (what does exist).
- **Cause:** The reason for the difference between the expected and actual conditions (why the difference exists).
- **Effect:** The risk or exposure the organization and/or others encounter because the condition is not consistent with the criteria (the impact of the difference). In determining

the degree of risk or exposure, A&AS staff will consider the effect their project findings and recommendations may have on OHSU's operations and financial statements.

- Recommendation: What should be changed or fixed (what should be done and how can we prevent this occurrence in the future).

These attributes come from the Institute of Internal Auditors Practice Advisory 2410-1. For additional information see "Exhibit H" – *Elements of an Audit Finding*. Findings and recommendations may also include engagement client accomplishments, related issues, and supportive information, if not included elsewhere.

G. Audit Services Workpaper Reviews

Audit workpapers include all documents, auditor notes, interview summaries, and similar records that are generated from the fieldwork processes. An important part of the A&AS quality assurance and improvement program is a timely and thorough review of workpapers by the auditor-in-charge. The purposes of the audit workpapers review are to ensure that the audit is properly planned, evaluate the adequacy of audit work performed, ensure that all documentation of work performed is complete, and ascertain whether the audit objectives have been met. The review also provides an opportunity for the auditor-in-charge to mentor and coach less-experienced audit staff. Audit workpapers must be a set of stand-alone documents from which the reader will be able to identify the actions taken by the auditor(s) to satisfy the objectives of the detailed audit program and preparation of the final audit report. The recommendations and conclusions expressed in the final report will be supported by the information contained in the workpapers. The auditor-in-charge may require further work to be performed or documented to satisfy this criterion. The auditor-in-charge should put review comments in TeamMate in the form of "coaching notes" that should be answered and cleared by the assigned auditor in a timely manner. Documentation of workpaper review is the responsibility of the auditor-in-charge. The chief form of documentation will be the signing of workpapers within TeamMate. Responsibilities for workpaper review are outlined below:

H. Auditor-in-Charge Review

The auditor-in-charge will review all workpapers performed by the assigned staff auditors. The workpapers should be documented in TeamMate and the review by the auditor-in-charge should be performed through-out the audit project in a timely manner. Generally, the review should take place as each segment of the *Audit Program* is completed. When the auditor-in-charge signs off on workpapers in TeamMate, he/she attests that the workpapers have, to the best of his/her knowledge, been prepared in accordance with the International Standards for the Professional Practice of Internal Auditing and the OHSU Internal Audit Manual.

I. Audit Manager Review

The Audit Manager's review may be performed either as each segment of the audit program is completed or at the completion of the audit, but prior to the review of the draft report with the Client. There are some audit projects in which the Audit Manager will perform an interim review of workpapers, including, but not limited to the following: very large audits, audits where

some of the assigned auditors are relatively new, audits performed solely by the auditor-in-charge, or audits with significant findings reported early in the audit. The approval by the Audit Manager of the *Audit Plan*, *Audit Program*, and *Audit Report* will be a hard copy signature outside of TeamMate. These documents will then be included in the collection of workpapers.

J. Audit Services Reporting

A standard audit report is issued upon the completion of each Audit Services project. A&AS audit reports are circulated to the appropriate top-level OHSU executives. In addition to being used by senior management to evaluate the function or area audited, these reports are also an important tool for evaluating the OHSU A&AS Program. Just as a well-written report will not make up for substandard fieldwork, an expertly performed audit will be diminished by a poorly written report. All reports will be discussed verbally with the Client during an exit conference in draft form following the completion of audit fieldwork. The quality of audit findings and how findings are reported significantly affect perceptions about the A&AS Program. This section provides guidelines regarding report writing for the various elements of A&AS reports. All audit reports should incorporate the following characteristics:

- i. *Accuracy* - All reports must be supported with facts. It is extremely important that the credibility of the A&AS Program and each professional staff member are maintained at the highest level by factual, unbiased, and objective reporting.
- ii. *Clarity* – All reports must be understandable and clear. It is very important that reports do not require interpretation or oral comment to fill in the gaps. The report should stand by itself.
- iii. *Quantification* – All comments must be quantified to the maximum extent possible to identify the seriousness and impact of the points made. Examples of quantification are dollar amounts, number of test exceptions, and scope of testing.
- iv. *Conciseness* – All reports must be to the point. This does not necessarily mean short.
- v. *Fairness* – All reports should maintain a diplomatic balance with respect to the sensibilities of all readers. Emphasis should be on improvement, not on criticism of people or past practices. Strengths as well as weaknesses should be addressed. Whenever possible, strengths or “best practices” of the unit being reviewed should be noted.
- vi. *Timeliness* – All reports must be issued in a timely manner. The goal is to issue a draft report within two weeks of the completion of the fieldwork and review. Internal Audit Program metrics on the “*Audit Life Cycle Timing*” have been developed to monitor and report on the timeliness of reports.
- vii. *Quality* - A pre-issuance quality assurance review of the draft and final audit reports should be performed by the auditor-in-charge and the Audit Manager. The A&AS Administrative Coordinator should also perform a review of the audit reports for

grammar and punctuation errors. The final report is submitted to the Chief Integrity Officer and Audit Manager for final review and signature.

K. Exit Conferences

The exit conference with the audit Client is a critical aspect of every project and should be attended by the assigned staff, auditor-in-charge, and the Audit Manager, as needed. A copy of the draft report is distributed to those attending the exit conference in advance of the meeting. Clients will be reminded that the report is a draft and it should not be distributed to persons others than those attending the exit conference. The purpose of the exit conference is to allow management a chance to respond to the audit findings and recommendations in person and ensure that A&AS staff has a correct understanding of the areas reviewed. It also provides the Client and A&AS an opportunity to agree on the recommendations in the report. An exit conference will be conducted at the conclusion of every Audit Services project and will be documented in TeamMate.

L. Management Responses

Management responses should indicate how they plan to implement the recommendations, the person(s) responsible for implementation, and a targeted date of implementation. When recommendations address failure to comply with laws, regulatory guidance, or policies (Category A recommendations) or when recommendations are related to best business practices (Category C recommendations), management responses are expected to be comprehensive, timely, and specific to the auditor's recommendations. When recommendations are related to alternative methods for achieving better business practices or implementing prudent, generally accepted standards, management response may propose different approaches that may result in the same outcomes. Prior to including a management response into a final audit report, the staff auditor and auditor-in-charge should ensure they agree with the response and that it adequately addresses the audit findings and recommendations. Management responses should be received within thirty days or sooner from the exit conference.

M. Perm Files

A *Perm File* will be developed for every Audit Services project. The auditor-in-charge is responsible for submitting a completed Perm File to the Audit Manager at the end of every project. The *Project and other Templates Listing* in this manual includes templates for the Perm File. Perm Files are currently maintained in the Audit Manager's office by fiscal year. See the *Master List of Audits, Investigations and Advisory Services Projects* for a complete listing of *Perm Files*.

N. Follow-up Audits

A&AS maintains an audit follow-up process to ensure all recommendations have been implemented in a timely manner. When recommendations have been made by the auditor, follow-up audits are performed approximately six months after the final audit report date. The auditor-in-charge is responsible for meeting with the Client in person to discuss the current status

of each of the audit recommendations. Based on those discussions, an *Audit Plan* will be submitted to the Audit Manager that will detail the amount of testing that will be performed during the follow-up review. A project will be set-up in TeamMate to document the follow-up work performed and should be performed using the same standards as those during the original audit work. A *Follow-up Audit Memo* template has been developed and is included in the *Project and Other Templates Listing*. In addition, a *Follow-up Audit Project: TeamMate Index* has been developed to document how a follow-up audit project should be set-up. Further, a *Perm File* will be prepared for each follow-up review and submitted to the Audit Manager at the completion of the project. The Audit Manager will notify the next higher level of management and the A&AS Committee of any unsatisfactory responses or corrective actions that are overdue.

O. Suggestions for Future Audits

Each Audit Services project has a section under the Audit Summary section in TeamMate to document suggestions for future audit areas that are identified during a project. This information will be presented to the A&AS Committee in the process of performing the annual risk assessment and determining audit priorities. Audit staff is encouraged to make notations in this section during each project.

IV. Advisory Services

Advisory Services projects are requested by OHSU management or the A&AS Committee. Advisory Services projects are designed to mitigate risk, improve operations, and assist management in achieving its business objectives. Approximately 15% of the total net available audit hours is set aside as part of each annual audit plan to perform these types of projects. Advisory Services projects follow similar workpaper and review standards as Audit Services projects. Since an Advisory Services project is not generated as a result of performing the annual risk assessment, the objective and scope of the review are agreed upon with the Client. The Clients for an advisory service project (not done at the direction of legal counsel) are the person requesting the service and the VP and school/unit director responsible for the area being reviewed (or his/her designee).

Specific engagements that are agreed upon prior to the start of the fiscal year will be included as *Planned Advisory Services* on the annual audit plan. In addition, A&AS staff should incorporate knowledge of risks gained in Advisory Services engagements into the process of identifying and evaluating significant risk exposures of the OHSU enterprise. If A&AS staff lacks the knowledge, skills, or other competencies needed to perform all or part of the engagement, the Audit Manager will decline to perform the engagement or will obtain the necessary expertise either through internal or external sources. All Advisory Services projects will be approved by the Chief Integrity Officer prior to starting the engagement. The requirements for an Advisory Services Plan, Engagement Letter, workpapers, and written report may be waived by the Audit Manager for fairly informal consultations such as brief telephone conversations or individual committee meetings involving limited scope and contact with the client.

A. Initial Communication with the Client

The same procedures and standards as outlined under Audit Services are followed.

B. Initial Communication with the Audit Manager

The same procedures and standards as outlined under Audit Services are followed.

C. Advisory Services Engagement Planning

A&AS will notify the Client via an *Engagement Letter* to document the agreed upon services to be performed and will conduct an entrance conference. However, for smaller projects requiring less than forty hours, notification may be informal such as communicating via e-mail.

D. Advisory Services Plan

The *Advisory Services Plan* will be prepared using information obtained from discussions with the Client and during the preliminary survey. It will include the objectives of the engagement, scope and degree of testing required, background on the area being reviewed, key processes and assessments, advisory services strategy, key contacts, the budgeted hours, and estimated timing of the project. The *Advisory Services Plan* will also be signed off by the auditor-in-charge and staff auditors and approved by the Audit Manager.

E. Advisory Services Program

The *Advisory Services Program* will be prepared after the completion of the preliminary survey phase of the project and document the procedures for collecting, analyzing, interpreting, and documenting information obtained during the review. The *Advisory Services Program* will be approved by the Audit Manager prior to starting any fieldwork.

F. Advisory Services Fieldwork

The electronic workpaper program TeamMate is the official record of where all Advisory Services work performed is documented. All fieldwork is documented using the *Statement of Work Performed* template. Fieldwork will be supervised by the auditor-in-charge and Audit Manager to ensure assigned staff is properly supervised, objectives are achieved, and quality is assured.

G. Advisory Services Workpaper Reviews

Advisory Services workpaper review and responsibilities will follow the same standards as set forth under Audit Services projects. All workpapers will be independently reviewed to ensure there is sufficient evidence to support conclusions and that Advisory Services objectives have been met.

H. Advisory Services Reporting

The end result of an Advisory Services project is a written memo or report. The auditor-in-charge will consult with the Audit Manager to determine if the inclusion of any or all standard report elements such as a cover memo, purpose and scope, background, and detailed findings and recommendations sections of the report template should be included. All results will be reviewed with management prior to being placed in final format to assure that the Client's needs and expectations have been met. In some circumstances, Advisory Services results may be verbal communication. In these cases, approval will be obtained in advance from the Audit Manager. TeamMate workpapers will include a record of the communications with the Client.

I. Management Responses

A management response to an Advisory Services project is not required unless the review identified significant internal control concerns, noncompliance with OHSU policies and procedures, or noncompliance with applicable laws or regulations.

J. Exit Conferences

The same procedures and standards as outlined under Audit Services will be followed.

K. Perm Files

The same procedures and standards as outlined under Audit Services will be followed. However, unique Advisory Services permanent file templates have been developed.

L. Advisory Services Follow-ups

Advisory Services follow-ups will only be performed where significant internal control concerns were noted, noncompliance with applicable laws or regulations or with OHSU policies and procedures were identified, or when the Client specifically requests a follow-up be performed.

V. Investigation Services

The purpose of this section is to document procedures and standards for conducting investigations. It includes criteria for determining whether a project qualifies as an investigation and, therefore, becomes subject to these investigation standards. Investigations conducted by A&AS staff are expected to comply with relevant standards set forth by the Institute of Internal Auditors and the Association of Certified Fraud Examiners (ACFE). In order to obtain the expertise needed to conduct investigations, A&AS staff is encouraged to obtain the Certified Fraud Examiner (CFE) designation.

A. Definition of Investigation Services

Investigation Services projects can arise based on information received from OHSU management, faculty and staff, or the OHSU Integrity Hotline or may result from issues

identified by A&AS staff during a routine audit or advisory services project. Examples of activities that are reviewed by A&AS staff that could be classified as an Investigation Services project include:

- ***Fraud/Embezzlement*** – missing or stolen cash receipts, cash larceny, skimming of cash, kickbacks, or bribery.
- ***Improper use of OHSU Resources*** – unauthorized and inappropriate purchases with a procurement card, use of university cell phone for non-business purposes, inappropriate use of OHSU's name, or inappropriate use of OHSU owned vehicles.
- ***Payroll/Time Charge Abuse*** – claiming overtime for un-worked hours, non-recording of vacation and sick time, or ghost employees.
- ***Misappropriation of Assets*** – misappropriation of equipment inventory, supply inventory, or computers or laptops.
- ***Fraudulent Disbursements of Cash*** – fraudulent disbursement of expense and travel reimbursements, fictitious refunds, billing schemes, or establishment of outside fictitious companies or vendors.

B. Roles and Responsibilities

The following are the primary roles and responsibilities for conducting Investigation Services projects:

1. A&AS

The A&AS Program is responsible for providing investigative resources and consultation when requested or needed. A&AS' role in performing these projects is to gather and analyze evidence and recommend the strengthening of related internal controls, policies or procedures to reduce future vulnerability to similar acts. The Chief Integrity Officer is also responsible for notifying the OHSU Board of Directors, appropriate OHSU Executives, and the A&AS Committee of any significant losses or weaknesses in internal controls identified as a result of an Investigation Services project.

2. OHSU Public Safety Office

If it appears that A&AS staff will participate in an investigation already being conducted by the OHSU Public Safety Office, the Audit Manager will consult with that Office to determine appropriate action with regard to the investigation and be briefed on any legal proceedings. In the event the Public Safety Office conducts a criminal investigation, A&AS staff shall share information and also lend assistance to the extent specialized skills or expertise are needed or desired. An example of such assistance might be the analysis of accounting and other business records and a review of internal controls.

3. OHSU Legal Counsel

If it appears that A&AS staff will participate in an investigation, the Audit Manager will consult with OHSU legal counsel to determine appropriate action with regard to the investigation and legal proceedings.

4. OHSU Risk Management

If it appears that a crime may have been committed, the Audit Manager will first consult with OHSU legal counsel and, if directed by counsel, will consult with the Department of Public Safety and/or the OHSU Risk Management Director to determine appropriate action with regard to the investigation and legal proceedings.

C. Investigation Services Engagement Planning

An *Investigation Services Project: TeamMate Index* has been developed to document work performed during an Investigation Services project. The engagement planning section of the project could include analyzing documents, interviewing, accessing information on-line, data analysis, computer forensics, and tracing illicit transactions.

D. Investigation Services Plan

The *Investigation Services Plan* will be prepared using information obtained from discussions with the client during the preliminary investigation. It will include the objectives of the investigation, scope and degree of testing and analysis required, background on the area being reviewed, key processes and assessments, investigation services strategy, key contacts, the budgeted hours, and estimated timing of the project. The *Investigation Services Plan* will be signed by the auditor-in-charge and staff auditors and approved by the Audit Manager.

E. Investigation Services Program

The *Investigation Services Program* will be prepared after the completion of the preliminary investigation of the project and document the procedures for collecting, analyzing, interpreting, and documenting information obtained during the review. The *Investigation Services Program* will be approved by the Audit Manager prior to starting any fieldwork.

F. Evidentiary Documentation

During an *Investigation Services* project, A&AS staff will adhere to the principles of gathering evidence and conducting an investigation as indicated in the ACFE's *Fraud Examiners Manual*. A current copy of the manual is maintained in the A&AS library.

Gathering Evidence

Care should be taken to gather evidence so as not to compromise its admissibility as evidence in a court of law. In cases that result in a deposition or a trial, the person who gathered the evidence may have to testify as to the means and authority to gather the evidence and the custody of the evidence, once gathered.

Care of Evidence

In all cases that have the possibility of litigation or criminal proceedings, due care must be taken to preserve the integrity of all original evidence. The professional audit staff should ensure that steps are taken to secure and protect all original evidence. This includes taking steps to ensure that evidence is not destroyed either by the subject or inadvertently by someone else, and the use of “working copies” rather than originals for analysis. If the case has a significant chance of a civil or criminal action being taken there should be documentation as to:

- When evidence was gathered.
- How evidence was gathered.
- How the chain of custody was maintained.
- How the integrity of the evidence was preserved.

Interviews

Interviews are conducted for the purpose of gathering information. Two persons will conduct interviews of material witnesses and a formal record of interviews will be generated of all material witnesses. Interview documentation will include the substance of the interview, the names of the interviewer and interviewee, and the time and date of the interview. In cases where an interview is recorded, there must be clear permission given by the witness. The interviewer should have the witness acknowledge that permission was granted on the tape. Tapes are considered original evidence. If a transcript made from the tape is used, the tape must be preserved.

Planned Interrogations

For purposes of this manual, an interrogation is defined as a special purpose interview that has the aim of eliciting an admission of responsibility. In the law enforcement arena, interrogations are most often performed after a subject is in custody. Planned interrogations should only be performed by A&AS staff who is experienced in investigations and only under the direction of and in coordination with the OHSU Public Safety Office or, in some cases, at the direction of legal counsel. In all cases of interrogations in which an admission is made, a statement should be obtained if possible. If the subject refuses to make a formal statement, that refusal must be noted in the record of the interview.

Witness Statements

Statements prepared by a witness should be signed by the witness in such a way as to acknowledge authorship. Handwritten statements are acceptable if legible. All statements prepared by a witness will be maintained “as is” without editing or corrections of any sort.

G. Investigation Services Fieldwork

The electronic workpaper program TeamMate is the official record where all Investigation Services work performed is documented. All fieldwork is documented using the *Statement of*

Work Performed template. Fieldwork will be supervised by the auditor-in-charge and Audit Manager to ensure assigned staff is properly supervised, objectives are achieved, and quality is assured.

H. Investigation Services Workpaper Reviews

Investigation Services workpaper review and responsibilities will follow the same standards as set forth under Audit Services projects. All workpapers will be independently reviewed to ensure there is sufficient evidence to support conclusions and that Investigation Services objectives have been met.

I. Investigation Services Reporting

In the event a loss is sustained or a significant weakness in internal controls is identified, A&AS will issue a written report on the results of the investigation. The report will address the allegations and suggest internal control improvements to prevent the incident from re-occurring. In reports of investigations intended to be used by attorneys and law enforcement in litigation or criminal legal proceedings, consideration should be given to creating a detailed report that includes references to exhibits of evidentiary matter. Such evidence includes, but is not limited to, copies of original documents, signed witness statements, and transcripts of interviews. For purposes of normal distribution to OHSU officials a report does not need to contain evidentiary exhibits. An Investigation Services report should include elements such as the following:

- The reason for initiating an investigation.
- The method used to gather and analyze evidence.
- The reasoning that connects the methodology and evidence to support the conclusion.
- Conclusion – indicate that either the allegations are substantiated or the allegations are not substantiated. However, avoid stating opinions regarding the guilt or innocence of any person or party.

An example *Investigation Services Memo* is included in the Project Reports and Memos templates.

J. Perm Files

The same procedures and standards as outlined under Audit Services will be followed. However, unique Investigation Services permanent file templates have been developed.

VI. External Audit Coordination

A. Coordination with External Auditors

The work of A&AS is closely coordinated with the OHSU external auditors to ensure efficient and economical utilization of time and avoid unnecessary duplication of efforts. A&AS staff meets with the external auditors at least on an annual basis to discuss the A&AS Program.

B. Annual Financial Statement Audit

The coordination for the annual OHSU financial statement audit is performed by Central Financial Services (CFS). As part of the year-end process, the external auditors meet with the Chief Integrity Officer and Audit Manager to discuss the work performed by the A&AS Program during the past fiscal year and determine if there are any reported material weaknesses or fraud. A copy of the completed financial statement audit should be reviewed and maintained by A&AS.

C. OMB Circular A-133 Audit

The coordination for the OHSU OMB Circular A-133 Audit is performed by Sponsored Projects Administration (SPA). A copy of the completed OMB Circular A-133 audit should be reviewed and maintained by A&AS.

VII. Quality Assurance

A. OHSU Internal Audit Quality Assurance Program

To comply with the IIA's International Standards for the Professional Practice of Internal Auditing Standard 1310 – Quality Program Assessments, A&AS maintains a quality assurance and improvement program that covers all aspects of the internal audit activity and continuously monitors its effectiveness. This program includes periodic internal and external quality assessments and ongoing internal monitoring designed to help A&AS add value and improve the organization's operations and provide assurance that A&AS is in conformity with the Standards and the Code of Ethics. Each Audit, Advisory Services, and Investigation Services project will receive an internal quality assurance review by the A&AS Audit Manager and Administrative Coordinator. Each review is guided using quality control checklists that have been established to ensure conformity with the Standards and OHSU Internal Audit Manual.

The standards that require the A&AS Program to conduct ongoing and periodic internal assessments became effective January 1, 2002. In addition, at least one external assessment is required during the five years commencing on that date and at least once during the five-year period thereafter. There is an exception to this requirement if the A&AS Program did not exist as of January 1, 2002. The OHSU A&AS Program came under the leadership of the Chief Integrity Officer as of January 2004. An external assessment is planned to take place during the 2007-08 fiscal year.

B. Client Satisfaction Surveys

As part of the A&AS Program quality assurance program, a *Client Satisfaction Survey* is sent to all clients as part of any Audit Services, Advisory Services, or Investigation Services project. The survey is performed via the web using the professional survey software "KeySurvey." The A&AS Administrative Coordinator is responsible for sending out and tracking the results of the survey. An example of the current survey used is presented in "Exhibit I."

C. A&AS Program Performance Measurements and Metrics

The A&AS Program uses performance measurements and metrics to monitor its performance and help evaluate the program's effectiveness. Currently, the following four metrics are used: *Percentage of Audit Plan Completed*, *Audit Life Cycle Timing*, *Client Satisfaction Surveys*, and *Percentage of Audit Recommendations Implemented*. The auditor-in-charge and assigned staff auditors are responsible for updating the metric for the *Audit Life Cycle Timing* and keeping the dates current. The performance measurements and metrics are also presented to the A&AS Committee members on a quarterly basis.

Example copies of the Internal Audit Program Metrics are presented in "Exhibit J."

VIII. Glossary of Terms

Add Value – Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.

Adequate Control - Present if management has planned and organized (designed) in a manner that provides reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.

Assurance Services - An objective examination of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Auditable Entity – An administrative unit, School, department, division, or other component of OHSU that is the subject of an audit, investigation, or advisory service.

Best Practice – Internal controls and/or business practices that are generally accepted and practiced at similar academic health & science institutions and/or recommended by IIA and similar internal auditing organizations and authorities.

Board – A board is an organization's governing body, such as a board of directors, supervisory board, head of an agency or legislative body, board of governors or trustees of a non profit organization, or any other designated body of the organization, including the audit committee, to whom the chief audit executive may functionally report.

Charter - The charter of the internal audit activity is a formal written document that defines the activity's purpose, authority, and responsibility. The charter should (a) establish the internal audit activity's position within the organization; (b) authorize access to records, personnel, and physical properties relevant to the performance of engagements; and (c) define the scope of internal audit activities.

Chief Audit Executive - Top position within the organization responsible for internal audit activities. Normally, this would be the internal audit director. In the case where internal audit activities are obtained from outside service providers, the chief audit executive is the person responsible for overseeing the service contract and the overall quality assurance of these activities, reporting to senior management and the board regarding internal audit activities, and follow-up of engagement results. The term also includes such titles as general auditor, chief internal auditor, and inspector general.

Client -

- A. Core audits and other audits/services determined by the A&AS Committee: The VP responsible for the area being audited or reviewed.
- B. Audits/services performed at the direction of legal counsel: The attorney directing the audit or service.
- C. Supplemental audits, advisory services, or investigations not done at the direction of legal counsel: The person requesting the service and the VP and school/unit director responsible for the area being reviewed.

Code of Ethics – The Code of Ethics of The Institute of Internal Auditors (IIA) are Principles relevant to the profession and practice of internal auditing, and Rules of Conduct that describe behavior expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services. The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

Compliance – Conformity and adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Conflict of Interest - Any relationship that is or appears to be not in the best interest of the organization. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

Consulting Services – Advisory and related client service activities, the nature and scope of which are agreed with the client and which are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

Control - Any action taken by management, the board, and other parties *to manage* risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Environment - The attitude and actions of the board and management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values.
- Management's philosophy and operating style.
- Organizational structure.
- Assignment of authority and responsibility.
- Human resource policies and practices.
- Competence of personnel.

Control Processes - The policies, procedures, and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.

Engagement – A specific internal audit assignment, task, or review activity, such as an internal audit, Control Self-Assessment review, fraud examination, or consultancy. An engagement may include multiple tasks or activities designed to accomplish a specific set of related objectives.

Engagement Objectives - Broad statements developed by internal auditors that define intended engagement accomplishments.

Engagement Work Program - A document that lists the procedures to be followed during an engagement, designed to achieve the engagement plan.

External Service Provider - A person or firm, outside of the organization, who has special knowledge, skill, and experience in a particular discipline.

Fraud - Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.

Governance – The combination of processes and structures implemented by the board in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.

Impairments - Impairments to individual objectivity and organizational independence may include personal conflicts of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations (funding).

Independence - The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.

Internal Audit Activity – A department, division, team of consultants, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organization's operations. The internal audit activity 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.

Objectivity - An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires internal auditors not to subordinate their judgment on audit matters to that of others.

Residual Risks – The risk remaining after management takes action to reduce the impact and likelihood of an adverse event, including control activities in responding to a risk.

Risk - 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.

Risk Management – A process to identify, assess, manage, and control potential events or situations, to provide reasonable assurance regarding the achievement of the organization’s objectives.

Should – The use of the word “should” in the Standards represents a mandatory obligation.

Standard – A professional pronouncement promulgated by the Internal Auditing Standards Board that delineates the requirements for performing a broad range of internal audit activities, and for evaluating internal audit performance.

IX. Personnel Policies and Procedures

A. Project Performance Evaluations

The auditor-in-charge will prepare a *Project Performance Evaluation* for each staff auditor assigned to him/her on projects that exceed fifty hours. The Audit Manager will perform a *Project Performance Evaluation* for the auditor-in-charge. These evaluations will be used a part of the annual performance appraisal process.

B. Training and Continuing Professional Development

A&AS staff should enhance their knowledge, skills, and other competencies through continuing professional development. Professional audit staff is responsible for continuing their education in order to maintain their proficiency. Continuing education can be obtained through membership and participation in professional societies, attendance at conferences, seminars, and OHSU in-house training programs. As the A&AS budget will permit, staff will be supported and encouraged to obtain at least 40 hours of continuing professional education credits on an annual basis. As part of the professional audit staff’s performance evaluation process, professional development needs will be discussed and outlined. However, it is the responsibility of each professional staff member to identify training opportunities that would enhance his/her skills and knowledge and bring these to the attention of the Audit Manager.

C. Professional Memberships

In order for the office to stay informed on recent developments in internal auditing, the OHSU Integrity Office will pay for membership to the Institute of Internal Auditors for all professional audit staff, including the Institute of Internal Auditors Portland Chapter. The remaining memberships in the Association of College and University Auditors (ACUA), Association of Certified Fraud Examiners (ACFE), National Council of University Research Administrators (NCURA), Association of Healthcare Internal Auditors (AHIA), and the American Institute of Certified Public Accountants (AICPA) will be held in the name of the Audit Manager and all A&AS staff will have access to the listservs, newsletters, and magazines associated with these memberships.

D. Professional Certification

Certification is an important element in a successful, effective internal audit program and is highly encouraged and supported. As a result, A&AS staff members are encouraged to demonstrate their proficiency by obtaining professional certifications such as the Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), or Certified Information Systems Auditor (CISA). A&AS will pay the examination fees to take the tests associated with these certifications. In addition, staff members will be granted professional development leave for the time associated with taking the examinations.

E. Oracle Financial Responsibilities

Each A&AS staff member will be granted standard Oracle financial responsibilities. Presented in "Exhibit K" is a listing and description of the responsibilities that will be assigned to each staff member.

F. List of OHSU In-House Training Required for A&AS Staff

Each staff member of A&AS will be required to attend OHSU in-house training as part of his/her professional development. "Exhibit L" presents a *Listing of OHSU In-House Training Required for A&AS Staff*.

G. OHSU Code of Conduct

All A&AS staff must be knowledgeable of and comply with the OHSU Code of Conduct. The OHSU Code of Conduct can be found at: <http://www.ohsu.edu/cc/codeofco.pdf>.

X. Other Policies and Procedures

A. Electronic Workpapers – TeamMate

TeamMate is the official place where all work performed on an audit, advisory services, or investigation project should be maintained. Workpapers or documents pertaining to any A&AS project must not be maintained on a staff member's H: drive or the C: drive of his/her desktop

computer. The Audit Manager needs access to workpapers at all times. Each workpaper set-up in TeamMate should be assigned to a staff member. The assigned staff member is responsible for completing the workpaper and signing off in TeamMate to indicate it is complete and ready for review. At the completion of the project and at the time the final report is distributed, the auditor-in-charge is responsible for ensuring all workpapers are signed off and reviewed. A final review by the Audit Manager will be performed and the project status will be changed to “*Issued*” in TeamMate.

The A&AS Administrative Coordinator is the TeamMate Administrator and is responsible for setting up the program for new staff and maintaining the *TeamMate Drive Mappings*. The Administrative Coordinator also tracks new developments within TeamMate and updates the staff auditors whenever a new patch has been released. The current listing of *TeamMate Drive Mappings* is presented in “**Exhibit M.**” The Administrative Coordinator and Audit Manager will also be the designated “*administrators*” for each project that is set-up in TeamMate. The auditor-in-charge will be assigned the role of “*reviewer/preparer*” and staff auditors will be assigned the role of “*preparer.*” The “*Teammate User Manual*” is maintained in the A&AS library. In addition, PriceWaterhouseCooper’s web page for current information on TeamMate is located at: <https://www.teammate.pwcglobal.com/tm2000.nsf/fsTM?OpenFrameset>.

B. Assigning Project Numbers

Project numbers are assigned by the Audit Manager. At the start of every project, the assigned auditor will notify the Audit Manager that a project number is needed and provide the name of the project. This number will also be added to the Timesheet Professional program for tracking of hours.

C. Security and Control of Workpapers

Control of workpapers and other supporting documents during an audit is the responsibility of each auditor assigned to a project. When not in use, all confidential files will be kept in a locked file or otherwise secured so they are not readily available to unauthorized persons. After each project, unused or superseded copies of documents such as draft reports, memos, or other confidential information that is not going to be included in the workpapers or perm files should be disposed of in the blue “confidential documents” trash container in the OHSU Integrity Office. In addition, access to TeamMate workpapers should be controlled via electronic data processing security controls, such as passwords. A&AS Program laptops that contain confidential and sensitive information should never be left unattended or in a vehicle.

D. Release of Reports and Workpapers

Workpapers are subject to the public disclosure laws under the State of Oregon unless they have been prepared at the direction of legal counsel or are otherwise protected under the Oregon Public Records laws. To ensure compliance with public disclosure laws, a request for release of documents must be directed to the appropriate contact in University News and Publications and OHSU legal counsel for consideration. To ensure that the appropriate parties are informed of the request and that disclosure of the request is documented, the request from outside parties should

be in writing, the request should be approved by the Chief Integrity Officer, and the person obtaining the released documents must sign and date a form listing each document that he/she has received. If the person is receiving the document via mail, a registered letter must be sent. All requests for release of reports and workpapers should be brought to the attention of the Audit Manager.

E. Record Retention: Workpapers

Electronic copies of workpapers on TeamMate are maintained on the J: drive under the folder J:\TeamMate\data by fiscal year and are backed-up nightly. Electronic workpapers and hard copy perm files will be retained for no less than seven years. The retention period begins with the end of the fiscal year in which the report is issued. A *Master List of all A&AS* projects since April 2004 is located at: J:\A&AS Documents\Audit Manager\Master List of A&AS Projects.

F. Library and Reference Materials

A&AS maintain a database of all technical reference books and self study courses. The database is maintained by the Administrative Coordinator and is located at J:\A&AS Library.

G. A&AS Budget

The Audit Manager is responsible for monitoring the A&AS Program budget and reporting any budget variances to the Chief Integrity Officer and Director of the OHSU Integrity Program. Financial activity for A&AS is recorded in org 82453 – CI.A&AS.

H. A&AS Web Page

The Administrative Coordinator is responsible for updating and maintaining the A&AS Web Page that is located at: <http://www.ohsu.edu/cc/audit/index.html>.

I. Scope Limitations

Scope limitations of audits, advisory services, or investigations include situations in which a client is uncooperative, attempts to limit the scope of planned work, or denies access to records, personnel, assets, or other information necessary to complete the project. The A&AS Charter provides unrestricted access to all assets, information, reports, records, and personnel required to perform A&AS work. A&AS staff should bring all matters involving scope limitations to the attention of the Audit Manager and Chief Integrity Officer. All scope limitation discussions should be documented in the audit workpapers. In the event a scope limitation significantly impacts the planned scope of the audit and is not resolved to the satisfaction of A&AS, the audit report will state that the audit team was unable to perform the planned tests and will detail the limitations of the report imposed by the restricted access.

J. Standard Discoverer Queries and Financial Reports

A list of standard Discoverer queries and financial reports has been developed for use by A&AS staff to generate financial information on their projects. A matrix of the reports and example

copies are presented as “Exhibit N.” In addition, Sponsored Projects Administration has developed an “OGA Report Guide” that lists reports to generate when reviewing financial information on sponsored projects. The OGA Report Guide and report descriptions are located at: <http://www.ohsu.edu/research/rda/spa/docs/ogareports.pdf>

K. Master List of Audits, Advisory Services, and Investigation Projects

“Exhibit O” presents a complete listing of Audits, Advisory Services, and Investigation projects performed by the Internal Audit Program since April 2004.

L. Purchasing A&AS Supplies

All A&AS supplies are purchased by the Administrative Coordinator. As part of requesting needed supplies, an “A&AS *Purchase Request*” form should be submitted to the Audit Manager for approval.

Exhibits

OHSU Integrity Office Organization Chart	Exhibit A
Guidance and Standards for the A & AS Program	Exhibit B
Internal Audit Program Strategic Plan 2005-2009	Exhibit C
Areas of Concentration	Exhibit D
Risk Assessment Survey	Exhibit E
University Auditable Entities	Exhibit F
OHSU Hospitals and Clinics Auditable Entities	Exhibit G
Elements of an Audit Finding	Exhibit H
Client Satisfaction Survey	Exhibit I
Internal Audit Program Performance Metrics	Exhibit J
Oracle Financial and other Responsibilities	Exhibit K
List of OHSU In-House Training Required for Audit and Advisory Services Staff	Exhibit L
TeamMate Drive Mappings	Exhibit M
Standard Discoverer Queries and Financial Reports	Exhibit N
Mast List of Audits, Investigations and Advisory Services Projects	Exhibit O